Booz | Allen | Hamilton

FISCAL YEAR 2018 THIRD QUARTER

Investor Presentation

MARCH 2018

CONSULTING | ANALYTICS | DIGITAL SOLUTIONS | ENGINEERING | CYBER

DISCLAIMER

Forward Looking Safe Harbor Statement

Certain statements contained in this presentation and in related comments by our management include “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Examples of forward-looking statements include information concerning Booz Allen’s preliminary financial results, financial outlook and guidance, including forecasted revenue, Diluted EPS, Adjusted Diluted EPS, future quarterly dividends, and future improvements in operating margins, as well as any other statement that does not directly relate to any historical or current fact. In some cases, you can identify forward-looking statements by terminology such as “may,” “will,” “could,” “should,” “forecasts,” “expects,” “intends,” “plans,” “anticipates,” “projects,” “outlook,” “believes,” “estimates,” “predicts,” “potential,” “continue,” “preliminary,” or the negative of these terms or other comparable terminology. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we can give you no assurance these expectations will prove to have been correct.

These forward-looking statements relate to future events or our future financial performance and involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to differ materially from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. A number of important factors could cause actual results to differ materially from those contained in or implied by these forward-looking statements, including those factors discussed in our filings with the Securities and Exchange Commission (SEC), including our Annual Report on Form 10-K for the fiscal year ended March 31, 2017, which can be found at the SEC’s website at www.sec.gov. All forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the foregoing cautionary statements. All such statements speak only as of the date made and, except as required by law, we undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

Note Regarding Non-GAAP Financial Data Information

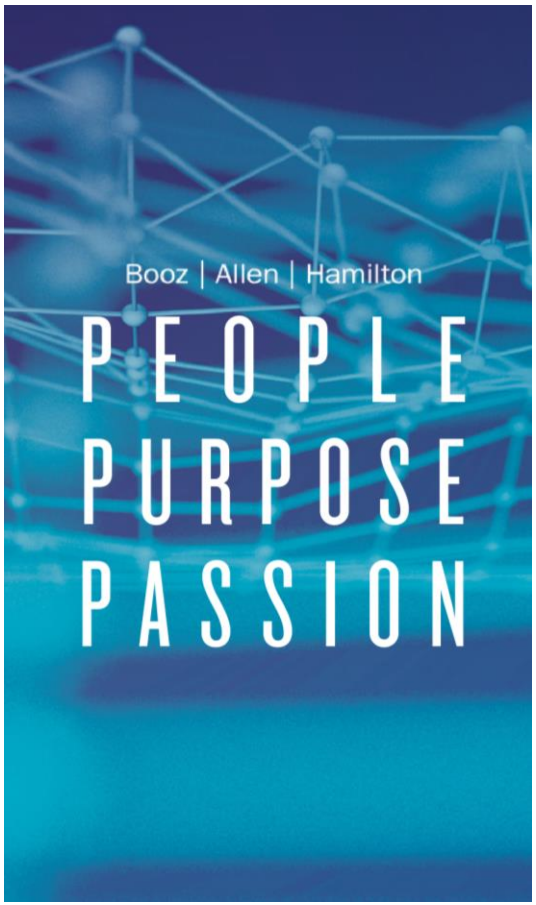
Booz Allen discloses in the following information Revenue, Excluding Billable Expenses, Adjusted Operating Income, Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Net Income, Adjusted Diluted EPS, and Free Cash Flow which are not recognized measurements under GAAP, and when analyzing Booz Allen’s performance or liquidity as applicable, investors should (i) evaluate each adjustment in our reconciliation of revenue to Revenue Excluding Billable Expenses, operating income to Adjusted Operating Income, net income to Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Net Income and Adjusted Diluted Earnings Per Share, and net cash provided by operating activities to Free Cash Flow, and the explanatory footnotes regarding those adjustments, each as defined under GAAP, (ii) use Revenue, Excluding Billable Expenses, Adjusted Operating Income, Adjusted EBITDA, Adjusted EBITDA Margin, 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. The Factsheet includes a reconciliation of Revenue, Excluding Billable Expenses, Adjusted Operating Income, Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Net Income, Adjusted Diluted EPS, and Free Cash Flow to the most directly comparable financial measure calculated and presented in accordance with GAAP. Booz Allen presents these supplemental performance measures because it believes that these measures provide investors and securities analysts with important supplemental information with which to evaluate Booz Allen’s performance, long term earnings potential, or liquidity, as applicable and to enable them to assess Booz Allen’s performance on the same basis as management. These supplemental performance and liquidity measurements may vary from and may not be comparable to similarly titled measures by other companies in Booz Allen’s industry. With respect to our expectations under “Fiscal 2018 Full Year Outlook,” reconciliation of Adjusted Diluted EPS guidance to the closest corresponding GAAP measure is not available without unreasonable efforts on a forward-looking basis due to our inability to predict our stock price, equity grants and dividend declarations during the course of fiscal 2018. Projecting future stock price, equity grants and dividends to be declared would be necessary to accurately calculate the difference between Adjusted Diluted EPS and GAAP EPS as a result of the effects of the two-class method and related possible dilution used in the calculation of EPS. Consequently, any attempt to disclose such reconciliation would imply a degree of precision that could be confusing or misleading to investors. We expect the variability of the above charges to have an unpredictable, and potentially significant, impact on our future GAAP financial results.

KEY INVESTMENT THEMES

- INDUSTRY LEADING ORGANIC REVENUE GROWTH
- DIFFERENTIATED BUSINESS MODEL
- PREVAILING IN COMPETITIVE MARKET FOR SKILLED LABOR
- STRONG CASH GENERATION AND EFFECTIVE CAPITAL DEPLOYMENT

GROWTH STRATEGY

VISION 2020 STRATEGY IS IN ITS FIFTH YEAR OF IMPLEMENTATION



Key Elements

- Moving closer to the center of our clients' core mission
- Increasing the technical content of our work
- Attracting and retaining superior talent in diverse areas of expertise
- Leveraging innovation to deliver complex, differentiated, end-to-end solutions
- Creating a broad network of external partners and alliances
- Expanding into commercial and international markets

KEY AREAS OF DIFFERENTIATION

WE ATTRIBUTE OUR BUSINESS AND FINANCIAL SUCCESS TO FIVE KEY FEATURES

- **Our culture**
  - Our purpose, as a firm, is to empower people to change the world, and we are committed to our employees
- **Our strategy**
  - Successful execution of Vision 2020 reflects our ability to reinvent ourselves
- **Our channels**
  - Our mature, large-scale channels enable us to shape future growth
- **Our ability to integrate**
  - We merge our consulting expertise with advanced technical capabilities and mission knowledge to create integrated capabilities
- **Our agility**
  - We anticipate the needs of the market and quickly move capabilities and talent to respond to client demands

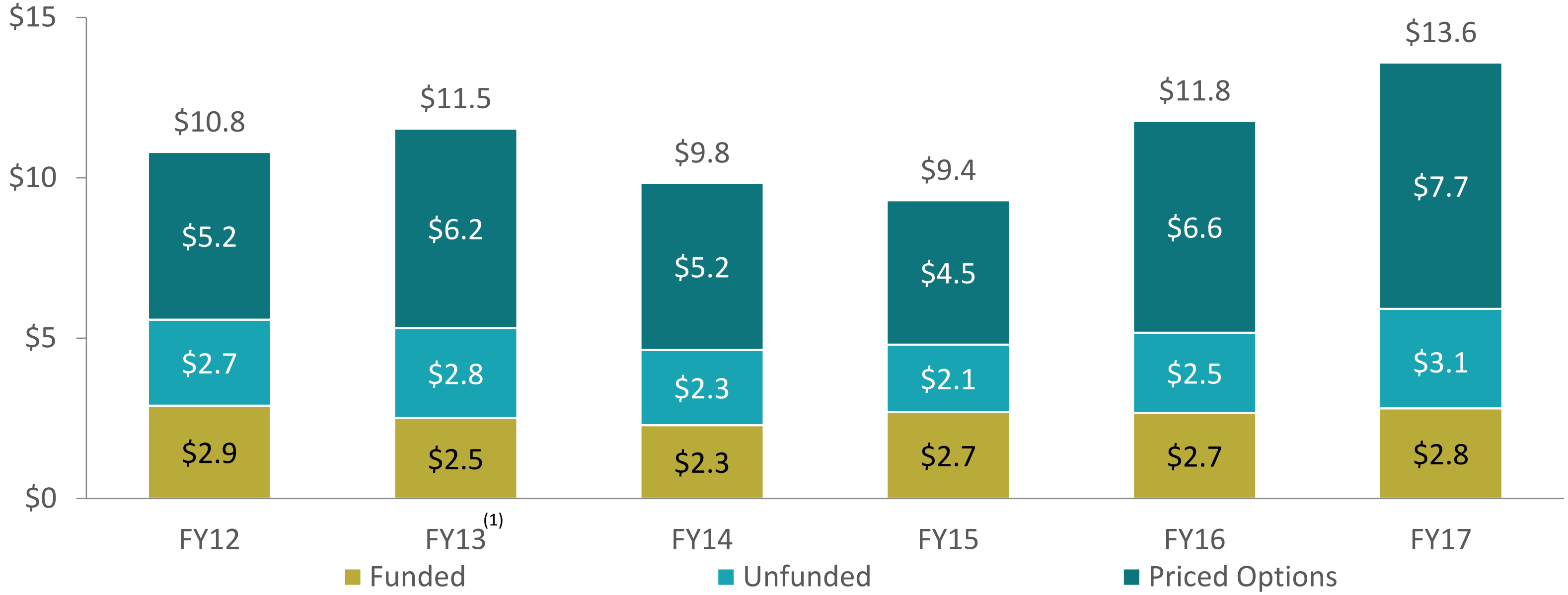
CREATING LONG-TERM SHAREHOLDER VALUE

DRIVING ACCELERATING GROWTH THROUGH A VIRTUOUS CYCLE

CONTINUE BACKLOG GROWTH

ROBUST BACKLOG PROVIDES REVENUE VISIBILITY

($ in billions)



Q3 FY18

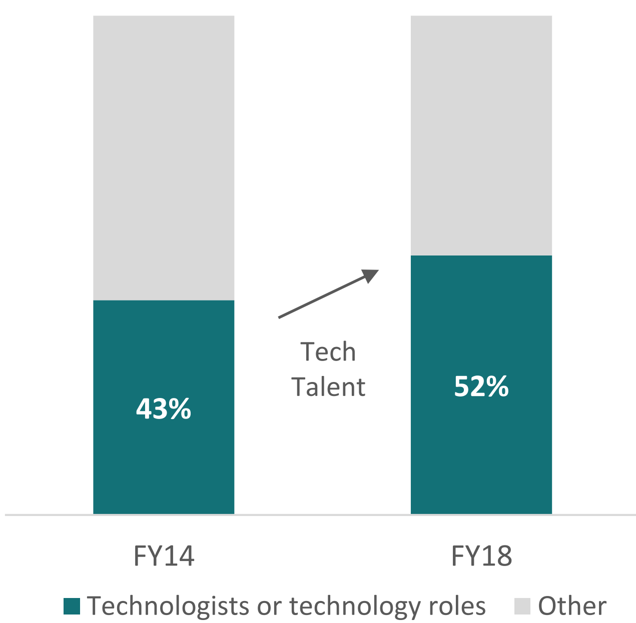
- Reflects near record backlog in Booz Allen’s seasonally weakest awards quarter
- $16.7 billion total backlog with growth in all 3 categories
- 23% growth over prior Q3
- Highest Q3 book to bill since IPO (0.99x)

1) *FY13 backlog excludes backlog gained in the BES acquisition.*

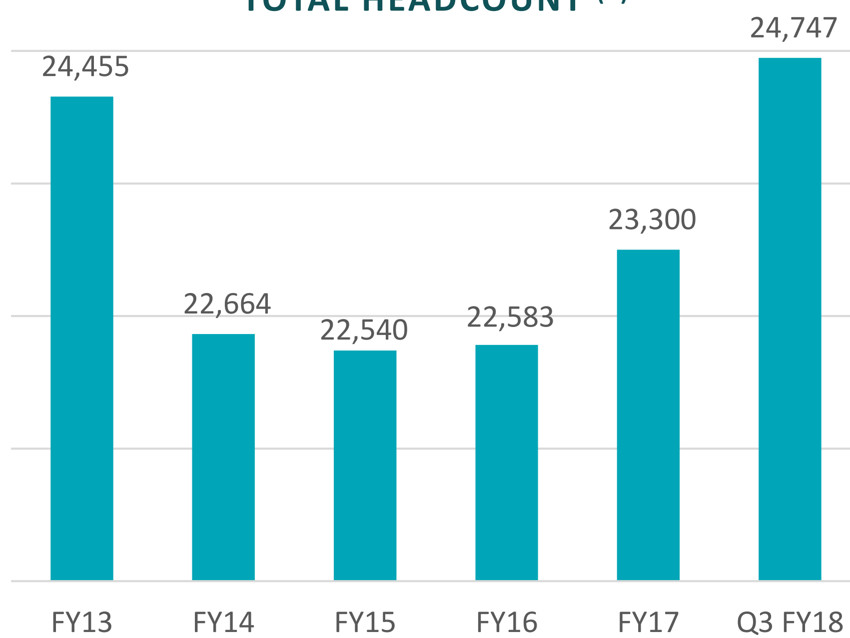
STRONG HIRING TRENDS

WE ARE PREVAILING IN A COMPETITIVE MARKET FOR SKILLED LABOR

CONSULTING STAFF (1)



TOTAL HEADCOUNT (2)

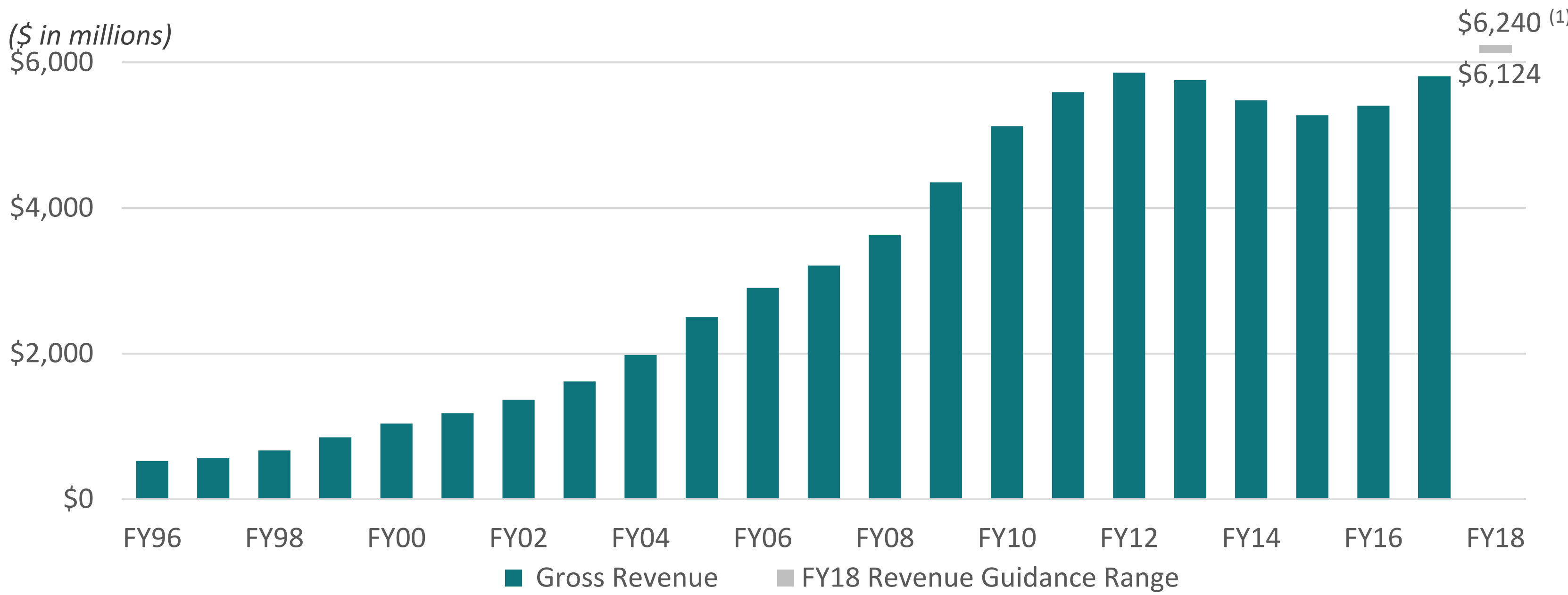


52% of our people doing client work are technologists or sit in technology roles, compared to **43%** in 2014

1) *Percentages based on total client headcount as of December 31, 2017*
2) *Fiscal Year headcount based on Q4 totals, unless otherwise stated*

ACCELERATING REVENUE GROWTH

AS A RESULT OF FAVORABLE BUDGET TRENDS AND STRONG DEMAND FOR OUR DIVERSE CAPABILITIES

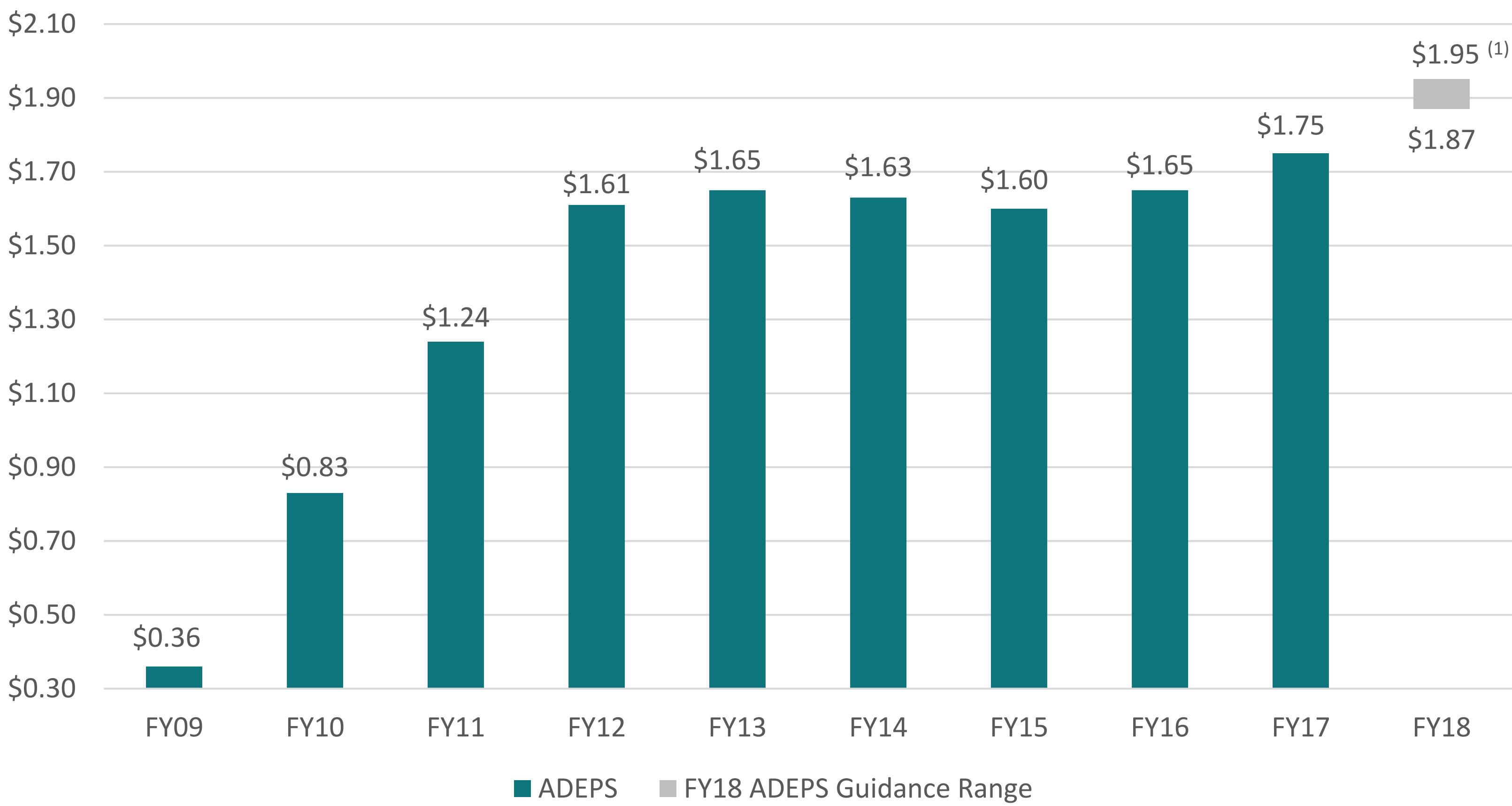


- We are the government services industry's organic growth leader
- Guidance for FY18 revenue growth of 5.5% to 7.5%[1]

1) *Guidance as provided on February 5, 2018*
2) *All years represent FYE March 31. FY96 through FY05 revenue is based on revenue derived directly from Booz Allen's accounting system (JAMIS). FY06 and later revenue is based on revenue derived directly from Booz Allen's consolidated financial statements, which have been audited and prepared in accordance with GAAP.*

FOCUSED ON DRIVING SUSTAINABLE TOP AND BOTTOM LINE GROWTH

IMPROVING OUTLOOK FOR ADEPS GROWTH



1) *Guidance as provided on February 5, 2018*

TAX REFORM IMPACT

EXPECT FISCAL 2018 EFFECTIVE TAX RATE ~33 TO 34%; EXPECT FISCAL 2019 OF ~25 TO 27% [1]	
Previous Fiscal 2018 Effective Tax Rate Guidance	37% - 38%
Puts and Takes:	
- Federal statutory tax rate [2]	- ~3.5%
- State and local income taxes, net of federal tax	+ ~0.5%
- Tax credits and other discrete items [3]	- ~0.5%
Revised Fiscal 2018 Annual Effective Tax Rate [4]	33% - 34%
Fiscal 2019 Expected Effective Tax Rate [5]	25% - 27% [1]

NOTES:

1) *Guidance as provided on February 5, 2018*
2) *The 21% federal statutory tax rate will predominately apply to the last three months of our fiscal 2018, resulting in an estimated lower blended federal statutory rate of ~31.5%*
3) *Includes additional ~$1 million of income tax benefit realized during the third quarter of fiscal 2018 due to the new accounting standard adopted early this year for treatment of stock-based compensation*
4) *Excludes any one-time, non-cash impacts due to the revaluation of our deferred taxes and/or any benefits we may realize from the completion of tax accounting method changes under the new law*
5) *Fiscal 2019 rate will reflect the 14% decline in federal statutory tax rate, offset by ~2-4% rate impact on state and local taxes and other qualifying credits due to the new tax law*

SIGNIFICANT TAX RATE BENEFIT AND CASH TAX SAVINGS

- ~8 cents added to ADEPS in the third quarter of fiscal 2018 due predominately to the ~$11 million reduction of income tax expense realized from the enactment of the new tax law
- Anticipate significant cash savings in coming years, and a majority of the benefit from our lower income tax expense will drop to the bottom line, which will present additional opportunities to invest in our people and capabilities, as well as return value to investors

STRONG CASH GENERATION AND EFFECTIVE CAPITAL DEPLOYMENT

DELIVERING STRONG CAPITAL RETURNS THROUGH FLEXIBLE CAPITAL DEPLOYMENT STRATEGY

- Strategy remains unchanged:
  - Convert approximately 100 percent of Adjusted Net Income to Free Cash Flow
  - Aim to deploy at least 100 percent of Free Cash Flow to support acquisitions, share repurchases, and/or incremental dividends as opportunities warrant
- Deployed approximately $300 million as of December 31, 2017 (thru Q3 FY18)
  - Paid $199 million to repurchase 5.7 million shares
  - Paid $76 million of quarterly common dividends
  - Closed acquisition of high-end cyber managed service firm, Morphick
- Raised quarterly dividend by 12% to $0.19
- Ended Q3 with a healthy cash balance of approximately $290 million and remaining repurchase authorization of $271 million

FINANCIAL RESULTS

THIRD QUARTER FISCAL YEAR 2018 RESULTS

	THIRD QUARTER [1]		YEAR TO DATE [1]	
Revenue	$1.5 billion	6.8% Increase	$4.5 billion	7.4% Increase
Revenue, Excluding Billable Expenses	$1.1 billion	8.3% Increase	$3.2 billion	7.0% Increase
Net Income	$69.8 million	25.5% Increase	$220.2 million	18.3% Increase
Adjusted Net Income	$70.2 million	24.1% Increase	$221.5 million	13.5% Increase
Adjusted EBITDA	$134.8 million	10.0% Increase	$432.2 million	7.5% Increase
Diluted EPS	$0.47	27.0% Increase	$1.47	19.5% Increase
Adjusted Diluted EPS	$0.48	26.3% Increase	$1.49	14.6% Increase
Total Backlog	$16.7 billion 23.2% Increase			

1) *Comparisons are to prior fiscal period*

FINANCIAL OUTLOOK

RAISING FULL YEAR GUIDANCE

FISCAL 2018 FULL YEAR OUTLOOK[1]	
Revenue	Growth in the Range of 5.5 to 7.5 Percent
Diluted EPS [2]	$1.86 - $1.94
Adjusted Diluted EPS [2]	$1.87 - $1.95

1) *Guidance as provided on February 5, 2018*
2) *These EPS estimates are based on fiscal 2018 estimated average diluted shares outstanding of approximately 148.0 million shares and assume an effective tax rate in the range of 33 percent to 34 percent, which reflects changes in U.S. tax law. The estimated average diluted shares outstanding used for purposes of our revised guidance has been updated from approximately 149.5 million used in prior guidance, which excluded certain estimated legal expenses, to reflect the net effect of the repurchase of shares during fiscal year 2018.*

APPENDIX

NON-GAAP FINANCIAL INFORMATION

- “Revenue, Excluding Billable Expenses" represents revenue less billable expenses. We use Revenue, Excluding Billable Expenses because it provides management useful information about the Company's operating performance by excluding the impact of costs that are not indicative of the level of productivity of our consulting staff headcount and our overall direct labor, which management believes provides useful information to our investors about our core operations.
- “Adjusted Operating Income” represents Operating Income before: (i) adjustments related to the amortization of intangible assets resulting from the acquisition of our Company by The Carlyle Group, and (ii) transaction costs, fees, losses, and expenses, including fees associated with debt prepayments. Booz Allen prepares Adjusted Operating Income to eliminate the impact of items it does not consider indicative of ongoing operating performance due to their inherent unusual, extraordinary or non-recurring nature or because they result from an event of a similar nature.
- “Adjusted EBITDA” represents net income before income taxes, net interest and other expense and depreciation and amortization and before certain other items, including transaction costs, fees, losses, and expenses, including fees associated with debt prepayments. “Adjusted EBITDA Margin” is calculated as Adjusted EBITDA divided by revenue. Booz Allen prepares Adjusted EBITDA and Adjusted EBITDA Margin to eliminate the impact of items it does not consider indicative of ongoing operating performance due to their inherent unusual, extraordinary or non-recurring nature or because they result from an event of a similar nature.
- “Adjusted Net Income” represents net income before: (i) adjustments related to the amortization of intangible assets resulting from the acquisition of our Company by The Carlyle Group, (ii) transaction costs, fees, losses, and expenses, including fees associated with debt prepayments, and (iii) amortization or write-off of debt issuance costs and write-off of original issue discount, net of the tax effect where appropriate calculated using an assumed effective tax rate. Booz Allen prepares Adjusted Net Income to eliminate the impact of items, net of taxes, 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 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 and equipment.

FINANCIAL AND OPERATIONAL HIGHLIGHTS

UNAUDITED NON-GAAP FINANCIAL INFORMATION [(a)]

			FY2016					FY 2017					FY 2018		
	Q4	FY2015	Q1	Q2	Q3	Q4	FY2016	Q1	Q2	Q3	Q4	FY2017	Q1	Q2	Q3
$ in thousands, except for shares and per share data	3/31/2015		6/30/2015	9/30/2015	12/31/2015	3/31/2016		6/30/2016	9/30/2016	12/31/2016	3/31/2017		6/30/2017	9/30/2017	12/31/2017
Revenue, Excluding Billable Expenses															
Revenue	$ 1,342,946	$ 5,274,770	$ 1,351,604	$ 1,322,154	$ 1,307,663	$ 1,424,317	$ 5,405,738	$ 1,422,722	$ 1,394,853	$ 1,404,638	$ 1,582,071	$ 5,804,284	$ 1,493,570	$ 1,542,085	$ 1,499,914
Billable Expenses	341,533	1,406,527	378,650	363,690	355,401	415,342	1,513,083	432,265	409,991	428,685	480,136	1,751,077	451,664	483,556	443,015
Revenue, Excluding Billable Expenses	$ 1,001,413	$ 3,868,243	$ 972,954	$ 958,464	$ 952,262	$ 1,008,975	$ 3,892,655	$ 990,457	$ 984,862	$ 975,953	$ 1,101,935	$ 4,053,207	$ 1,041,906	$ 1,058,529	$ 1,056,899
Adjusted Operating Income															
Operating income	$ 92,560	$ 458,822	$ 126,144	$ 108,816	$ 105,116	$ 104,508	$ 444,584	$ 129,301	$ 117,661	$ 108,124	$ 129,161	$ 484,247	$ 139,464	$ 126,486	$ 118,087
Amortization of intangible assets (b)	1,056	4,225	1,056	1,056	1,056	1,057	4,225	1,126	987	1,056	1,056	4,225	—	—	—
Transaction expenses (c)	—	2,039	—	—	—	—	—	—	3,354	—	—	3,354	—	—	—
Adjusted Operating Income	$ 93,616	$ 465,086	$ 127,200	$ 109,872	$ 106,172	$ 105,565	$ 448,809	$ 130,427	$ 122,002	$ 109,180	$ 130,217	$ 491,826	$ 139,464	$ 126,486	$ 118,087
EBITDA & Adjusted EBITDA															
Net income	$ 43,363	$ 232,569	$ 64,306	$ 56,216	$ 108,055	$ 65,517	$ 294,094	$ 67,817	$ 62,830	$ 55,590	$ 66,253	$ 252,490	$ 79,540	$ 70,913	$ 69,773
Income tax expense (benefit)	31,917	153,349	44,280	34,737	(20,146)	26,497	85,368	45,547	34,917	37,025	41,921	159,410	41,938	35,178	28,240
Interest and other, net	17,280	72,904	17,558	17,863	17,207	12,494	65,122	15,937	19,914	15,509	20,987	72,347	17,986	20,395	20,074
Depreciation and amortization	15,427	62,660	15,117	15,352	16,148	14,919	61,536	14,501	14,677	14,410	15,956	59,544	15,449	16,046	16,701
EBITDA	107,987	521,482	141,261	124,168	121,264	119,427	506,120	143,802	132,338	122,534	145,117	543,791	154,913	142,532	134,788
Transaction expenses (c)	—	2,039	—	—	—	—	—	—	3,354	—	—	3,354	—	— —	
Adjusted EBITDA	$ 107,987	$ 523,521	$ 141,261	$ 124,168	$ 121,264	$ 119,427	$ 506,120	$ 143,802	$ 135,692	$ 122,534	$ 145,117	$ 547,145	$ 154,913	$ 142,532	$ 134,788
Adjusted EBITDA Margin (%)	*8.0 %*	*9.9 %*	*10.5 %*	*9.4 %*	*9.3 %*	*8.4 %*	*9.4 %*	*10.1 %*	*9.7 %*	*8.7 %*	*9.2 %*	*9.4 %*	*10.4 %*	*9.2 %*	*9.0 %*
Adjusted Net Income															
Net income	$ 43,363	$ 232,569	$ 64,306	$ 56,216	$ 108,055	$ 65,517	$ 294,094	$ 67,817	$ 62,830	$ 55,590	$ 66,253	$ 252,490	$ 79,540	$ 70,913	$ 69,773
Transaction expenses (c)	—	2,039	—	—	—	—	—	—	3,354	—	—	3,354	—	—	—
Release of income tax reserves (d)	—	—	—	—	(47,667)	(5,634)	(53,301)	—	—	—	—	—	—	—	—
Amortization of intangible assets (b)	1,056	4,225	1,056	1,056	1,056	1,057	4,225	1,126	987	1,056	1,056	4,225	—	—	—
Amortization or write-off of debt issuance costs and write-off of original issue discount	1,278	6,545	1,294	1,309	1,307	1,291	5,201	1,289	6,278	669	630	8,866	658	663	672
Adjustments for tax effect (e)	(934)	(5,124)	(940)	(946)	(945)	(939)	(3,770)	(966)	(4,248)	(690)	(674)	(6,578)	(263)	(265)	(199)
Adjusted Net Income	$ 44,763	$ 240,254	$ 65,716	$ 57,635	$ 61,806	$ 61,292	$ 246,449	$ 69,266	$ 69,201	$ 56,625	$ 67,265	$ 262,357	$ 79,935	$ 71,311	$ 70,246
Adjusted Diluted Earnings per Share															
Weighted-average number of diluted shares outstanding	149,867,259	150,375,531	149,271,321	149,388,556	149,900,925	149,559,119	149,719,137	149,634,592	150,200,454	150,607,259	150,661,457	150,274,640	149,868,273	148,887,497	146,570,617
Adjusted Net Income per Diluted Share (f)	$ 0.30	$ 1.60	$ 0.44	$ 0.39	$ 0.41	$ 0.41	$ 1.65	$ 0.46	$ 0.46	$ 0.38	$ 0.45	$ 1.75	$ 0.53	$ 0.48	$ 0.48
Free Cash Flow															
Net cash provided by operating activities	$ 81,900	$ 309,958	$ 19,096	$ 69,591	$ 92,310	$ 68,237	$ 249,234	$ 11,647	$ 205,436	$ 65,959	$ 99,235	$ 382,277	$ 3,995	$ 174,067	$ 68,858
Less: Purchases of property and equipment	(18,575)	(36,041)	(13,140)	(16,422)	(16,267)	(20,806)	(66,635)	(6,171)	(8,972)	(15,411)	(23,365)	(53,919)	(11,536)	(25,453)	(26,078)
Free Cash Flow	$ 63,325	$ 273,917	$ 5,956	$ 53,169	$ 76,043	$ 47,431	$ 182,599	$ 5,476	$ 196,464	$ 50,548	$ 75,870	$ 328,358	$ (7,541)	$ 148,614	$ 42,780
Conversion Ratio	1.4	1.1	0.1	0.9	1.2	0.8	0.7	0.1	2.8	0.9	1.1	1.3	(0.1)	2.1	0.6

a The use and definition of Non-GAAP financial measurements can be found in the Company's public filings.
b Reflects amortization of intangible assets resulting from the acquisition of our Company by The Carlyle Group.
c Fiscal 2017 reflects debt refinancing costs incurred in connection with the refinancing transaction consummated on July 13, 2016. Fiscal 2015 reflects debt refinancing costs incurred in connection with the refinancing transaction consummated on May 7, 2014.
d Release of pre-acquisition income tax reserves assumed by the Company in connection with the acquisition of our Company by The Carlyle Group.
e Periods prior to fiscal 2017 reflect the tax effect of adjustments at an assumed effective tax rate of 40%. Beginning in the third quarter of fiscal 2018 with the Tax Cuts and Jobs Act, adjustments are reflected using an assumed effective tax rate of 36.5%.
f Excludes adjustments to net earnings associated with the application of the two-class method for computing diluted earnings per share.

FINANCIAL AND OPERATIONAL HIGHLIGHTS

UNAUDITED NON-GAAP FINANCIAL INFORMATION [(a)]

$ in thousands, except for shares and per share data	FY2008	Proforma FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017
Revenue, Excluding Billable Expenses										
Revenue								$ 5,274,770	$ 5,405,738	$ 5,804,284
Billable Expenses								1,406,527	1,513,083	1,751,077
Revenue, Excluding Billable Expenses								$ 3,868,243	$ 3,892,655	$ 4,053,207
Adjusted Operating Income										
Operating income		$ 66,401	$ 199,554	$ 319,444	$ 387,432	$ 446,234	$ 460,611	$ 458,822	$ 444,584	$ 484,247
Certain stock-based compensation expense [(h)]		82,019	68,517	39,947	14,241	5,868	1,094	—	—	—
Amortization of intangible assets [(b)]		57,833	40,597	28,641	16,364	12,510	8,450	4,225	4,225	4,225
Net restructuring charge [(g)]		—	—	—	11,182	—	—	—	—	—
Purchase accounting adjustments		3,077	1,074	—	—	—	—	—	—	—
Transaction expenses		—	3,415	4,448	—	2,725	—	2,039	—	3,354
Adjusted Operating Income		$ 209,330	$ 313,157	$ 392,480	$ 429,219	$ 467,337	$ 470,155	$ 465,086	$ 448,809	$ 491,826
EBITDA & Adjusted EBITDA										
Net income	$ 17,874	$ (49,441)	$ 25,419	$ 84,694	$ 239,955	$ 219,058	$ 232,188	$ 232,569	$ 294,094	$ 252,490
Income tax expense (benefit)	62,693	(25,831)	23,575	43,370	103,919	149,253	148,599	153,349	85,368	159,410
Interest and other, net	1,808	141,673	150,560	191,380	43,558	77,923	79,824	72,904	65,122	72,347
Depreciation and amortization	33,079	106,335	95,763	80,603	75,205	74,009	72,327	62,660	61,536	59,544
EBITDA	115,454	172,736	295,317	400,047	462,637	520,243	532,938	521,482	506,120	543,791
Certain stock-based compensation expense [(h)]	35,013	82,019	68,517	39,947	14,241	5,868	1,094	—	—	—
Net restructuring charge	—	—	—	—	11,182	—	—	—	—	—
Purchase accounting adjustments	—	3,077	1,074	—	—	—	—	—	—	—
Transaction expenses	5,301	19,512	3,415	4,448	—	2,725	—	2,039	—	3,354
Non-recurring items (loss for discontinued operations)	71,106	—	—	—	—	—	—	—	—	—
Adjusted EBITDA	$ 226,874	$ 277,344	$ 368,323	$ 444,442	$ 488,060	$ 528,836	$ 534,032	$ 523,521	$ 506,120	$ 547,145
Adjusted EBITDA Margin (%)	*6.3 %*	*6.4 %*	*7.2 %*	*7.9 %*	*8.3 %*	*9.2 %*	*9.7 %*	*9.9 %*	*9.4 %*	*9.4 %*
Adjusted Net Income										
Net income		$ (49,441)	$ 25,419	$ 84,694	$ 239,955	$ 219,058	$ 232,188	$ 232,569	$ 294,094	$ 252,490
Certain stock-based compensation expense [(h)]		82,019	68,517	39,947	14,241	5,868	1,094	—	—	—
Net restructuring charge (g)		—	—	—	11,182	—	—	—	—	—
Purchase accounting adjustments		3,077	1,074	—	—	—	—	—	—	—
Transaction expenses		—	3,415	20,948	—	2,725	—	2,039	—	3,354
Amortization of intangible assets [(b)]		57,833	40,597	28,641	16,364	12,510	8,450	4,225	4,225	4,225
Amortization or write-off of debt issuance				—						
costs and write-off of original issue discount		3,106	5,700	50,102	4,783	13,018	6,719	6,545	5,201	8,866
Net gain on sale of state and local transportation		—	—	—	(5,681)	—	—	—	—	—
Release of income tax reserves [(d)]		—	—	(10,966)	(35,022)	—	—	—	(53,301)	8,866
Adjustments for tax effect [(e)]		(58,414)	(47,721)	(55,855)	(18,628)	(13,649)	(6,505)	(5,124)	(3,770)	(6,578)
Adjusted Net Income		$ 38,180	$ 97,001	$ 157,511	$ 227,194	$ 239,530	$ 241,946	$ 240,254	$ 246,449	$ 262,357
Adjusted Diluted Earnings per Share										
Weighted-average number of diluted shares outstanding		105,695,340	116,228,380	127,448,700	140,812,012	144,854,724	148,681,074	150,375,531	149,719,137	150,274,640
Adjusted Net Income per Diluted Share [(f)]		$ 0.36	$ 0.83	$ 1.24	$ 1.61	$ 1.65	$ 1.63	$ 1.60	$ 1.65	$ 1.75
Free Cash Flow										
Net cash provided by operating activities		$ (6,217)	$ 270,484	$ 296,339	$ 360,046	$ 464,654	$ 332,718	$ 309,958	$ 249,234	$ 382,277
Less: Purchases of property and equipment		(46,149)	(49,271)	(88,784)	(76,925)	(33,113)	(20,905)	(36,041)	(66,635)	(53,919)
Free Cash Flow		$ (52,366)	$ 221,213	$ 207,555	$ 283,121	$ 431,541	$ 311,813	$ 273,917	$ 182,599	$ 328,358
Free Cash Flow to Adjusted Net Income Conversion Ratio		(1.4)	2.3	1.3	1.2	1.8	1.3	1.1	0.7	1.3

a The use and definition of Non-GAAP financial measurements can be found in the company's public filings.

b Reflects amortization of intangible assets resulting from the acquisition of our Company by The Carlyle Group.

c Reflects the gain on sale of our state and local transportation business, net of the associated tax benefit of $1.6 million.

d Release of pre-acquisition income tax reserves assumed by the Company in connection with the acquisition of our Company by The Carlyle Group

e Periods prior to fiscal 2017 reflect the tax effect of adjustments at an assumed effective tax rate of 40%. Beginning in the third quarter of fiscal 2018 with the Tax Cuts and Jobs Act (the "2017 Tax Act"), adjustments are reflected using an assumed effective tax rate of 36.5%.

f Excludes adjustments associated with the application of the two-class method for computing diluted earnings per share.

g Fiscal 2012 reflects restructuring charges of approximately $15.7 million incurred during the three months ended March 31, 2012, net of approximately $4.5 million of revenue recognized on recoverable expenses, associated with the cost of a restructuring plan to reduce certain personnel and infrastructure costs.

h Reflects stock-based compensation expense for options for Class A Common Stock and restricted shares, in each case, issued in connection with the acquisition of our Company by the Carlyle Group under the Officers' Rollover Stock Plan. Also reflects stock-based compensation expense for Equity Incentive Plan Class A Common Stock options issued in connection with the acquisition of our Company by the Carlyle Group under the Equity Incentive Plan.