

BOOZ ALLEN HAMILTON  
**INVESTOR DAY 2018**

NEW YORK, NEW YORK

JUNE 6, 2018

# FINANCIAL DISCLAIMERS

## *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, 2018, which can be found at the SEC’s website at [www.sec.gov](http://www.sec.gov). All forward-looking statements attributable to us or persons acting on our behalf are 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.*

*Booz Allen discloses in the following information Revenue, Excluding Billable Expenses, Adjusted Operating Income, Adjusted EBITDA, Adjusted EBITDA Margin on Revenue, Adjusted EBITDA Margin on Revenue, Excluding Billable Expenses, Adjusted Net Income, Adjusted Diluted EPS, and Free Cash Flow which are not recognized measurements under GAAP, and when analyzing Booz Allen’s performance or liquidity as applicable, investors should (i) evaluate each adjustment in our reconciliation of revenue to Revenue, Excluding Billable Expenses, operating income to Adjusted Operating Income, net income to Adjusted EBITDA, Adjusted EBITDA Margin on Revenue, Adjusted EBITDA Margin on Revenue, Excluding Billable Expenses, Adjusted Net Income and Adjusted Diluted Earnings Per Share, and net cash provided by operating activities to Free Cash Flow, and the explanatory footnotes regarding those adjustments, each as defined under GAAP, (ii) use Revenue, Excluding Billable Expenses, Adjusted Operating Income, Adjusted EBITDA, Adjusted EBITDA Margin on Revenue, Adjusted EBITDA Margin on Revenue Excluding Billable Expenses, Adjusted Net Income, and Adjusted Diluted EPS in addition to, and not as an alternative to revenue, operating income, net income or diluted EPS as measures of operating results, 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 Financial Appendix includes a reconciliation of Revenue, Excluding Billable Expenses, Adjusted Operating Income, Adjusted EBITDA, Adjusted EBITDA Margin on Revenue, Adjusted EBITDA Margin on Revenue, Excluding Billable Expenses, Adjusted Net Income, Adjusted Diluted EPS, and Free Cash Flow to the most directly comparable financial measure calculated and presented in accordance with GAAP. Booz Allen presents these supplemental performance measures because it believes that these measures provide investors and securities analysts with important supplemental information with which to evaluate Booz Allen’s performance, long term earnings potential, or liquidity, as applicable and to enable them to assess Booz Allen’s performance on the same basis as management. 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 for fiscal 2019, 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 2019. 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.*

# AGENDA

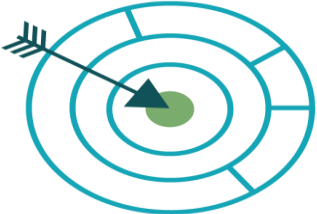
TOPIC	PRESENTER
<b>Investment Thesis and Overview</b>	<b>Horacio Rozanski</b> , President and Chief Executive Officer
<b>Business Leader Perspectives</b>	<b>Chris Bogdan</b> , Senior Vice President, Aerospace <b>Kristine Martin Anderson</b> , Executive Vice President, Civilian Services Group Lead
<b>Multi-Year Financial Outlook</b>	<b>Lloyd Howell</b> , Chief Financial Officer and Treasurer
<b>Option Value</b>	<b>Horacio Rozanski</b> , Chief Executive Officer <b>Josh Sullivan</b> , Senior Vice President, Artificial Intelligence
<b>Break, Followed by Q+A</b>	<b>Horacio Rozanski</b> , Chief Executive Officer <b>Lloyd Howell</b> , Chief Financial Officer and Treasurer
<b>Lunch Networking + Demos</b>	All



# HORACIO ROZANSKI

*President & Chief Executive Officer*

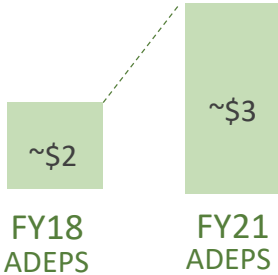
# INVESTMENT THESIS



**UNIQUE  
MARKET  
POSITION**

=

3-year goals:



**STRONG  
FINANCIAL RETURNS**

**50% ADEPS Growth**  
(+~2% Dividend Yield)

<b>6–9%</b>	<b>10–30 bps</b>	<b>~\$1.4B</b>
Annual Revenue Growth	Margin Expansion	Capital Deployment, Incl Dividends

+



**OPTION  
VALUE**

# HORACIO ROZANSKI

*President & Chief Executive Officer*

# BOOZ ALLEN OVERVIEW

We **bring bold thinking and a desire to be the best** in our work in consulting, analytics, digital solutions, engineering, and cyber and with industries ranging from defense to health, energy, and international development.

*Founded in 1914*

*Headquartered in McLean, VA*

Our employees work at **400+** locations in **20+** countries



**24,600+**  
NUMBER OF EMPLOYEES  
*As of March 31, 2018*

**\$6.2 billion** in FY18  
**REVENUE**

**SINGLE P&L**

*November 2010*  
**INITIAL PUBLIC OFFERING**

PURPOSE AND VALUES

---

**EMPOWER  
PEOPLE**  
TO CHANGE THE  
**WORLD**

**COLLECTIVE  
INGENUITY**

---

**CHAMPION'S  
HEART**

---

**PASSIONATE  
SERVICE**

---

**UNFLINCHING  
COURAGE**

---

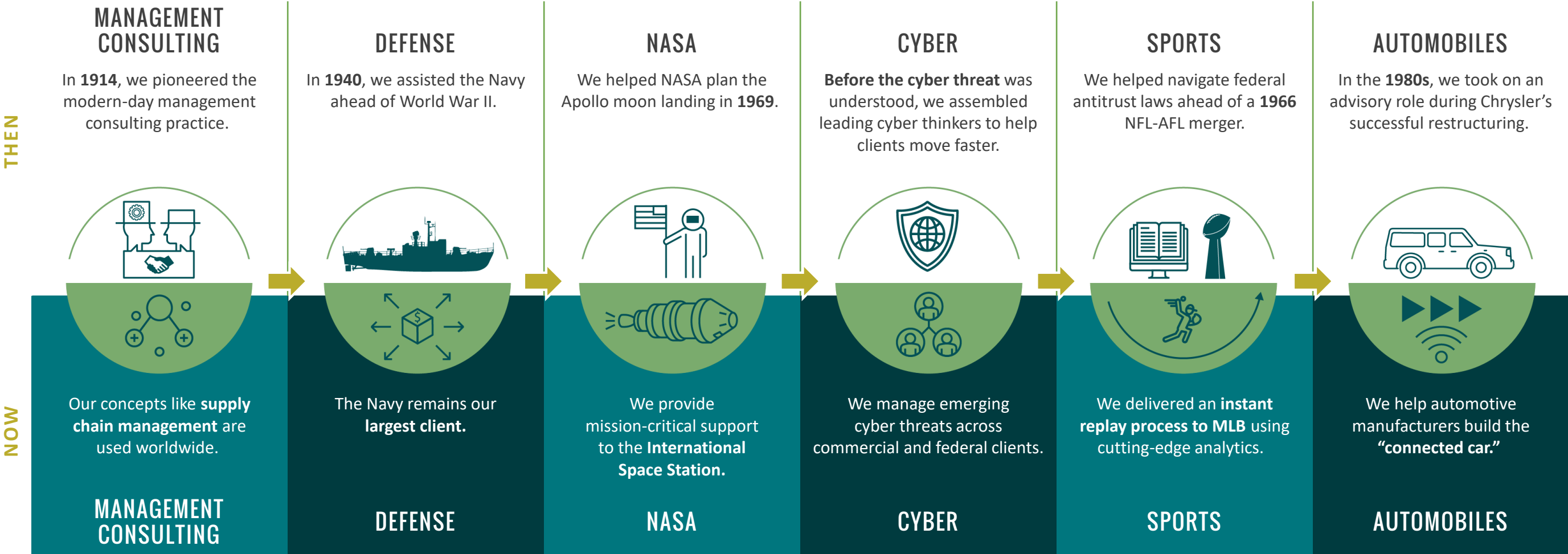
**FEROCIOUS  
INTEGRITY**

---

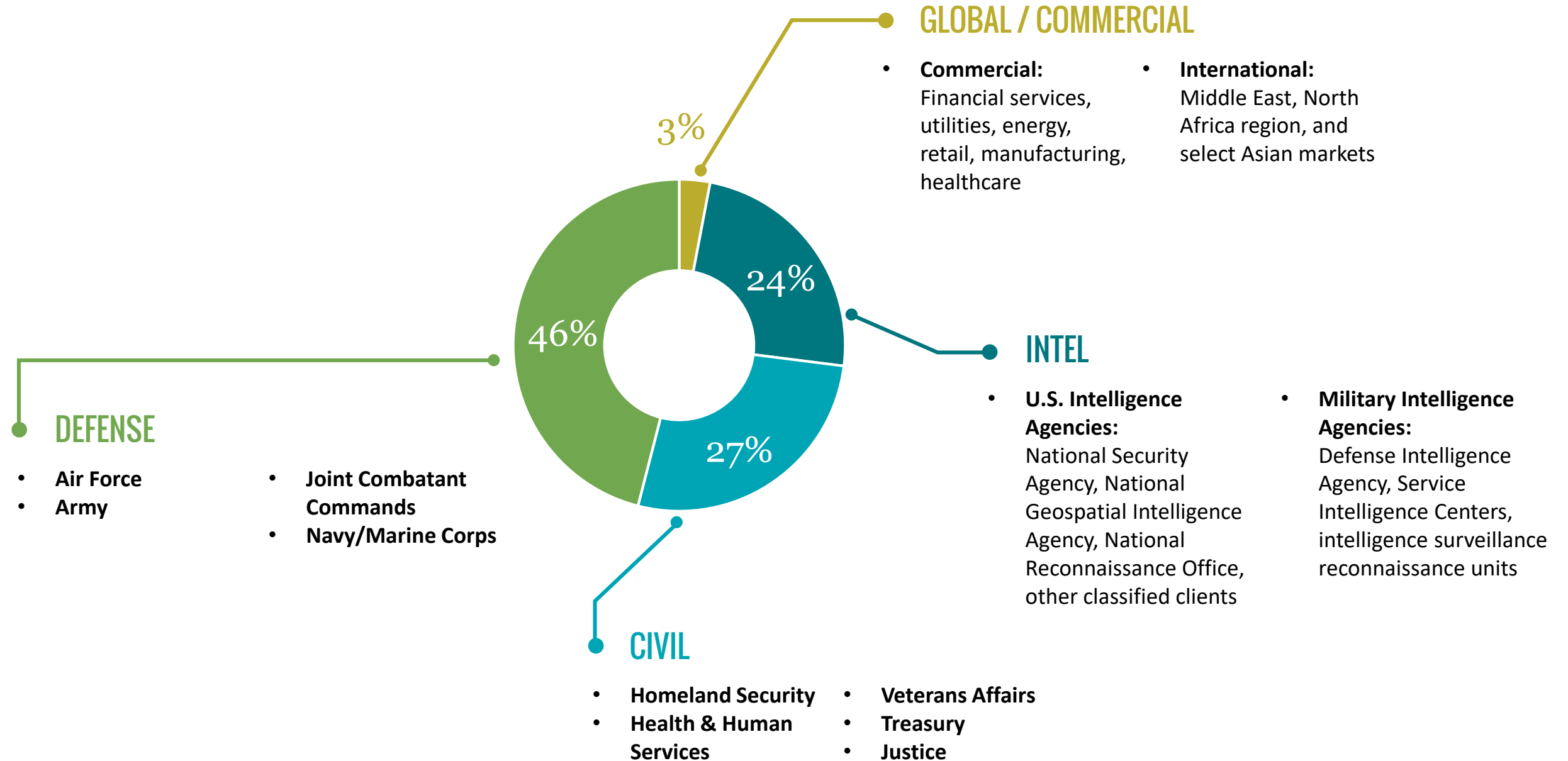


# LEGACY OF INNOVATION

*For more than 100 years, we have been helping our clients achieve the impossible, making it our business to identify and solve the emerging challenges of our time.*



# OUR CLIENTS



# INDUSTRIES WE SERVE



## FINANCIAL SERVICES

- Banking
- Hedge Funds
- Exchanges
- Insurance



## ENERGY & CRITICAL INFRASTRUCTURE

- Oil & Gas
- Utilities
- Nuclear



## HEALTH & LIFE SCIENCES

- Pharmaceutical
- Biotech
- Medical Device



## TRANSPORTATION

- Automotive
- Aviation

*We are engaged by premier clients across a set of industries, including:*

### FINANCIAL SERVICES

- 17 of the Top 25 U.S. Financial Institutions (banks, exchanges, wealth management firms)

### ENERGY

- Multiple Fortune 50 Super-Major Oil Companies
- Multiple Nuclear and Non-Nuclear Utilities

### HEALTH

- 13 of the Top 20 Pharmaceutical & Biotechnology Companies
- Ultra-Rare Disease Pharmaceutical Companies

### TRANSPORTATION

- Multiple leading automakers/original equipment manufacturers (OEMs)
- Multiple U.S.-based Airlines

### OTHER

- *Fortune* 100 Retailers
- *Fortune* 100 Consumer Packaged Goods (CPG) Providers
- *Fortune* 500 High Tech and Manufacturing Companies

# OUR CAPABILITIES

## CONSULTING

- Human Capital Planning
- Strategic Communications
- Wargames and Exercise Design

## DIGITAL SOLUTIONS

- Digital Strategy
- Digital Experience
- Cloud & Data Platforms
- Modern Software Development

## ANALYTICS

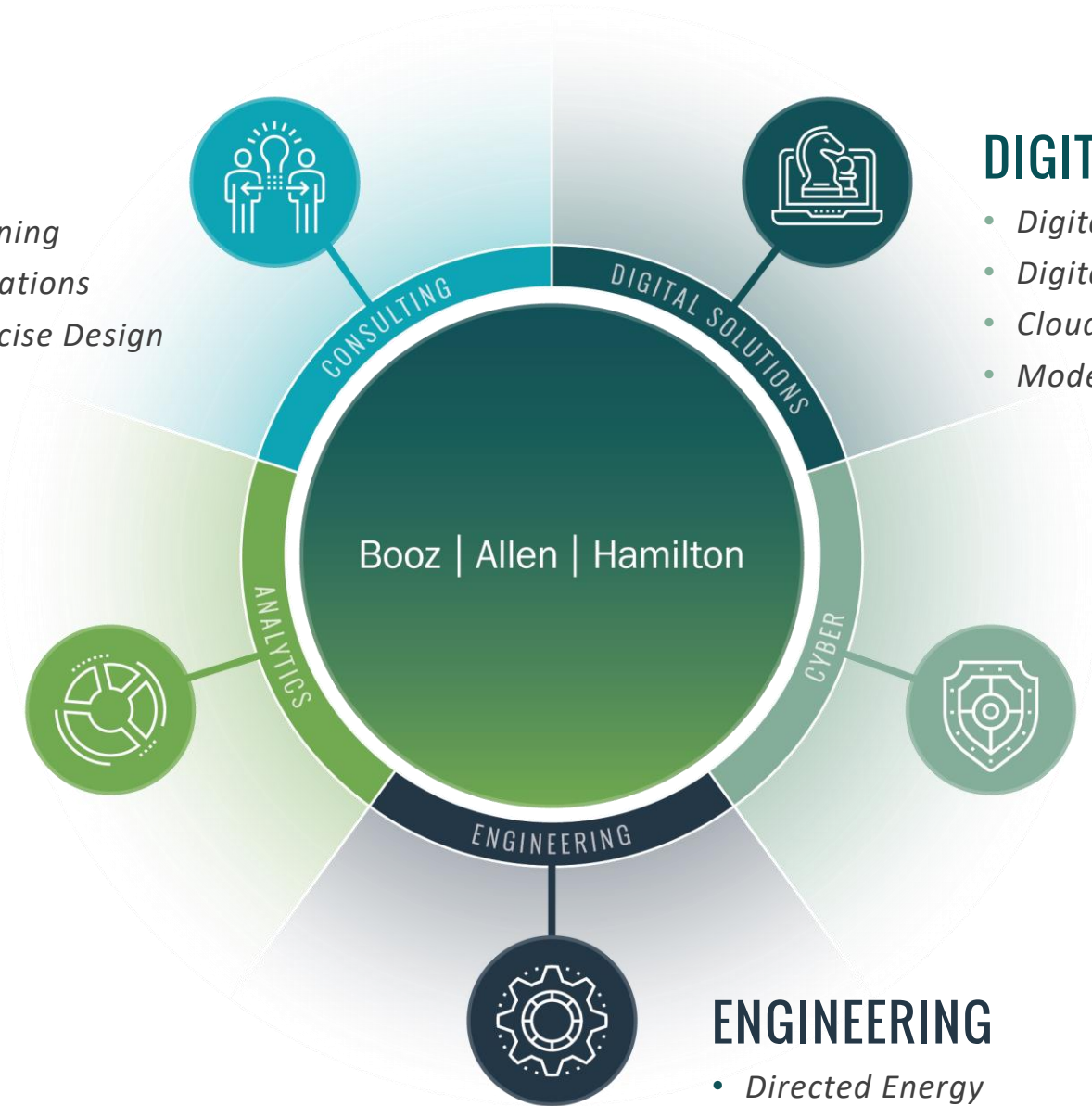
- Artificial Intelligence
- Data Science
- Automation
- Precision Health

## CYBER

- Cyber Risk
- Cyber Intelligence
- Cyber Solutions
- Cyber Operations

## ENGINEERING

- Directed Energy
- Systems Engineering & Integration
- C4ISR and Networks
- Sustainment Engineering





# OUR PEOPLE

**24,600+** diverse, passionate, and exceptional people driven to excel, do right, and realize positive change in everything we do.



## WHO WE ARE

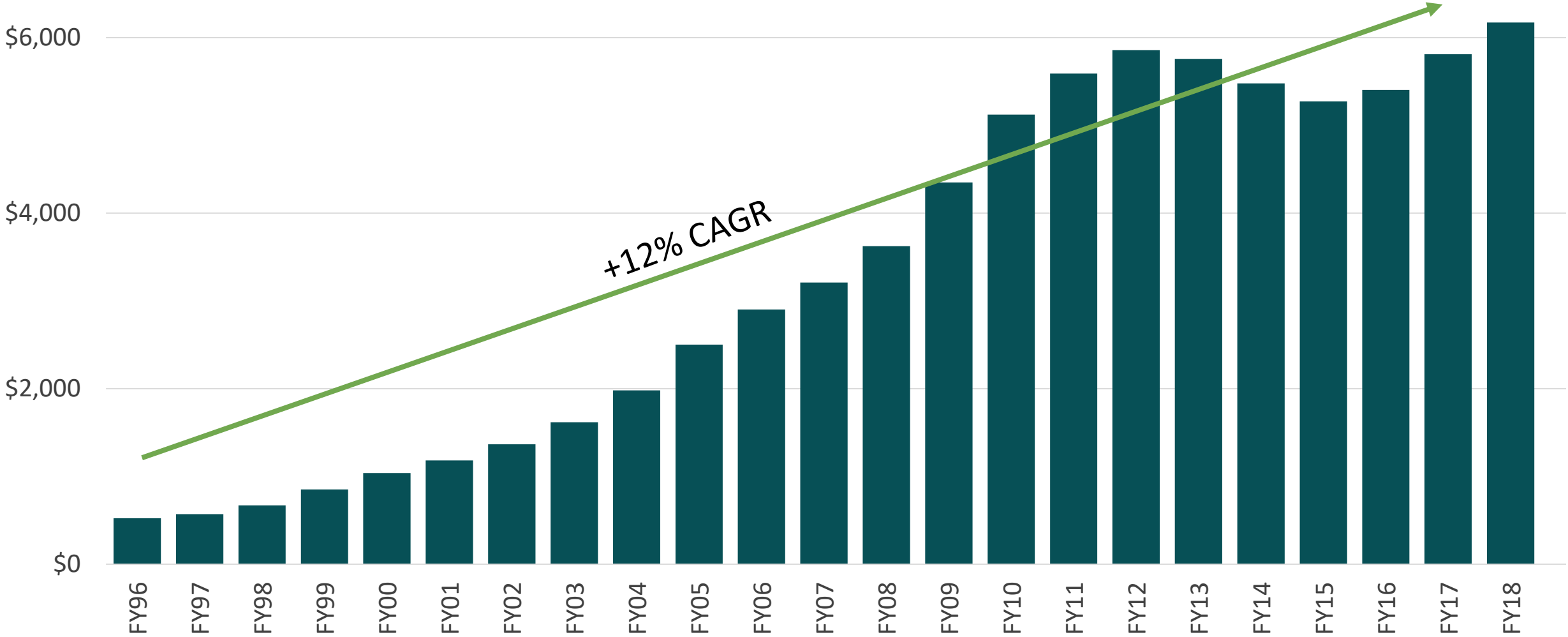
- **28%** are Veterans
- **69%** hold a security clearance
- **40%** have advanced degrees
- **65,000+** volunteer hours in FY18
- **Social impact focus areas:** veterans and military families, STEM careers, health, education, community resilience

## ACCOLADES

- *Fortune* named Booz Allen as one of the World's Most Admired Companies
- *Forbes* selected us as one of the Top Employers for Veterans and one of the Best Management Consulting Firms for 2017.
- We also have been honored with awards that showcase our employer brand
  - 9 Best Management Consulting Firms by *Business Insider*
  - Top Company for People with Disabilities by *Diversity Inc*
  - Best for Vets by *Military Times*
  - Top Company of 2017 by *LinkedIn*
  - *Working Mother Magazine's* 100 Best Companies.

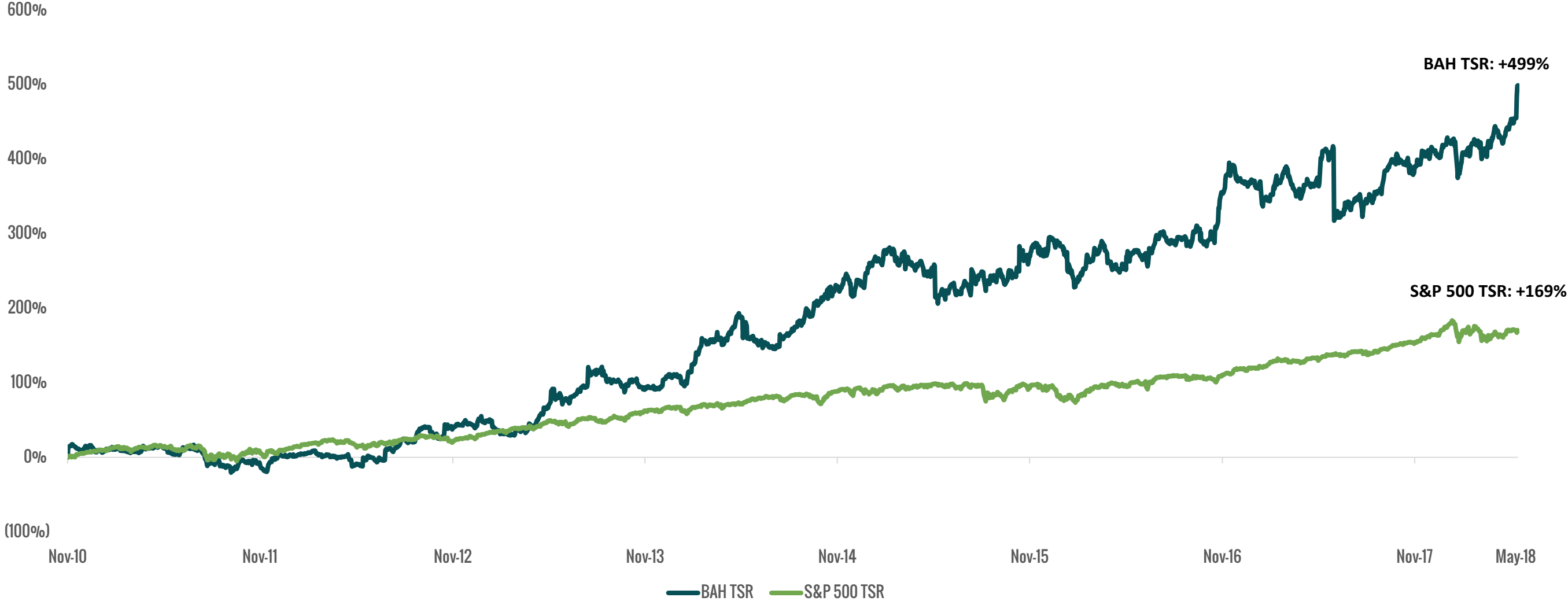
# HISTORY OF REVENUE GROWTH

(\$ in millions)



# LEGACY OF STRONG TOTAL SHAREHOLDER RETURN

### BAH TOTAL ANNUAL TSR SINCE IPO VS S&P 500



Note: BAH TSR as of 5/31/2018; Assumes dividend reinvestment

# V2020 STRATEGY: INVEST, ADAPT THROUGH DOWNTURN... ACCELERATE OUT OF IT



*2013 Flashback:*

## THE ANTICIPATED CHALLENGE

- Post 9/11 and stimulus spending was not sustainable
- Pricing pressure in non-differentiated portion of market
- Industry participants searching for growth, likely to focus on cost cutting, margin expansion



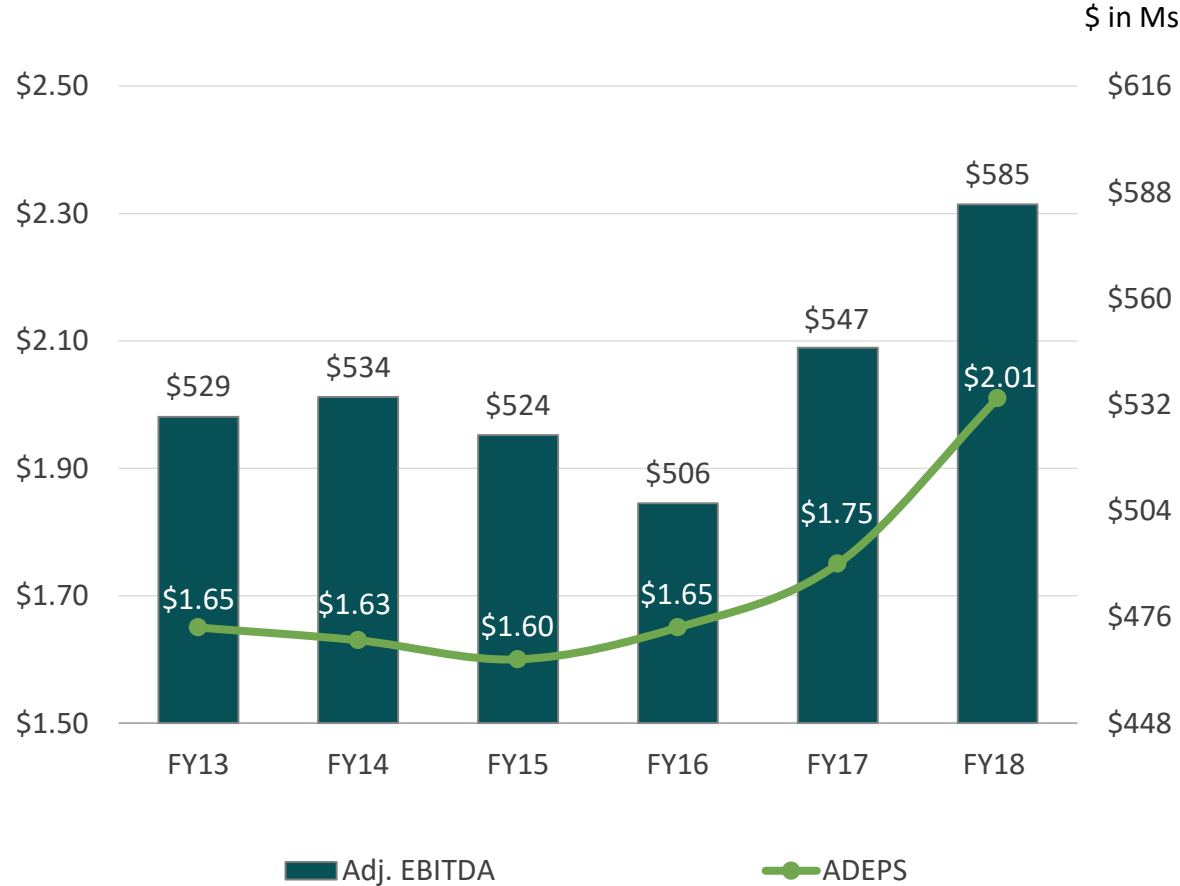
## OUR RESPONSE

- Compete on our terms -- quality and differentiation
- Streamline where we can...
- ... to invest in innovation, advanced capabilities, talent
- Re-enter global commercial market
- Dramatically increase technical content of our work, fundamentally reshape workforce
- Build depth and breadth in Digital, Analytics, Engineering, Cyber
- Build partnerships and incubate technologies and solutions

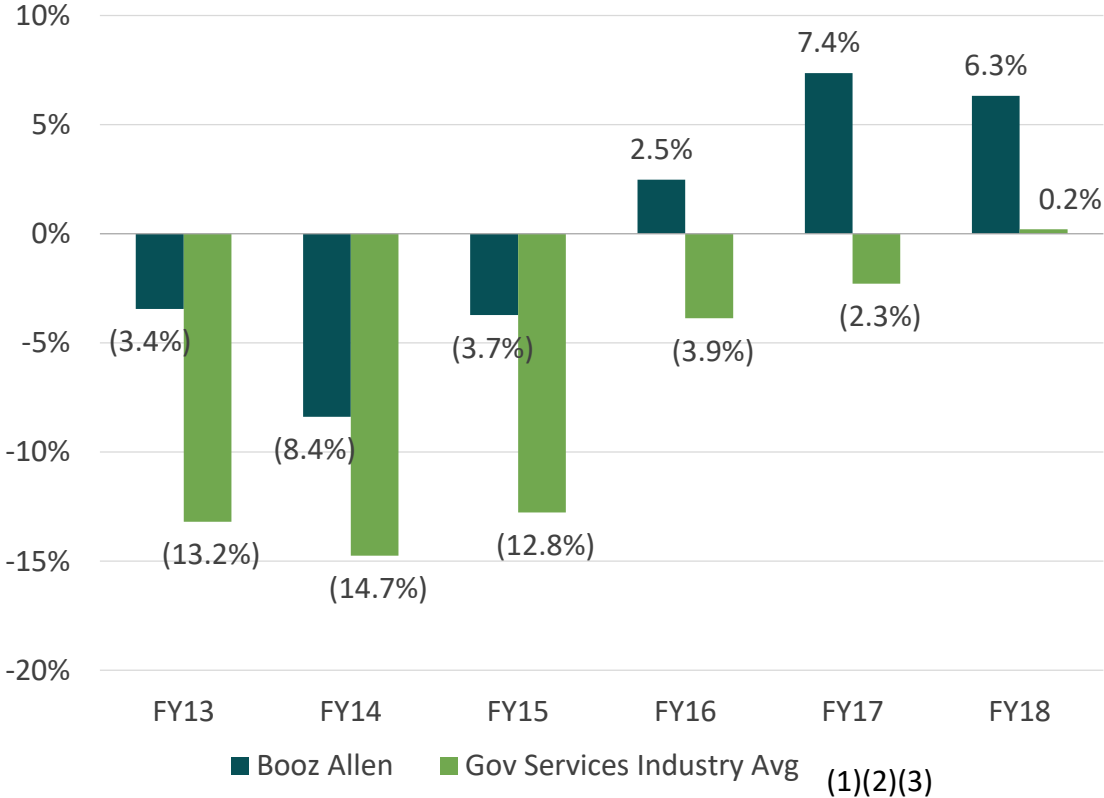


# RESULTS SHOW THAT V2020 STRATEGY HAS BEEN SUCCESSFUL

**ACCELERATING ADJUSTED EBITDA, ADEPS GROWTH**

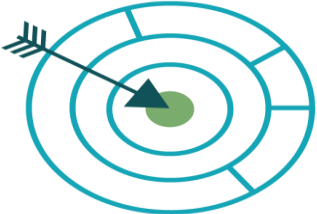


**ORGANIC REVENUE GROWTH CONSISTENTLY ABOVE MARKET**



1) Gov Services Industry comprised include Leidos, SAIC, ManTech, CACI, Engility, and CSRA  
 2) Organic growth encompasses any disclosed commentary (through SEC filing, presentation, or transcript) around organic growth performance  
 3) Source: Company presentations, SEC filings, and earnings transcripts

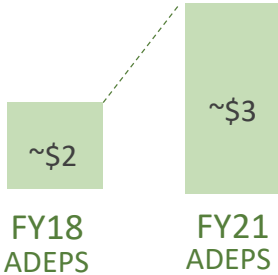
# INVESTMENT THESIS



**UNIQUE  
MARKET  
POSITION**

=

3-year goals:



**STRONG  
FINANCIAL RETURNS**

**50% ADEPS Growth**  
(+~2% Dividend Yield)

<b>6–9%</b>	<b>10–30 bps</b>	<b>~\$1.4B</b>
Annual Revenue Growth	Margin Expansion	Capital Deployment, Incl Dividends

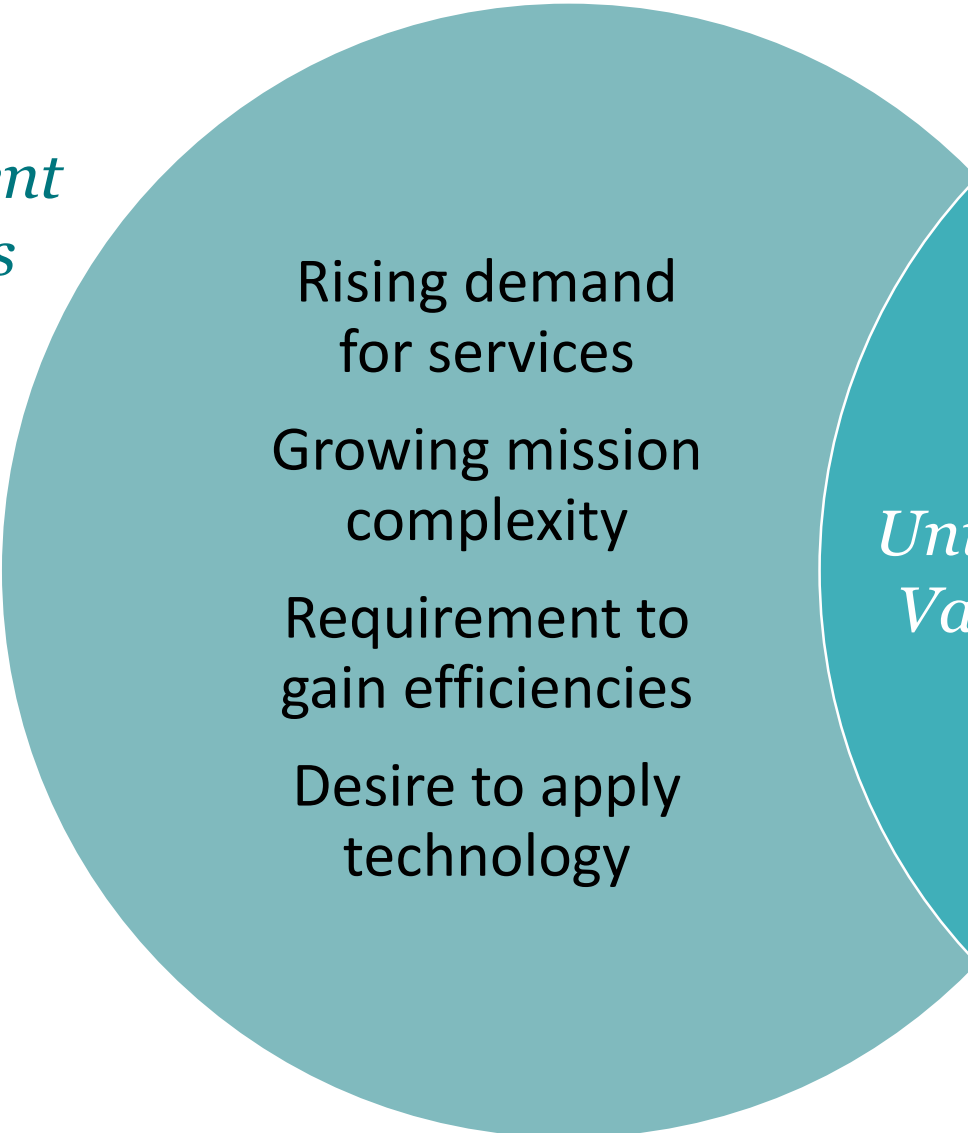
+



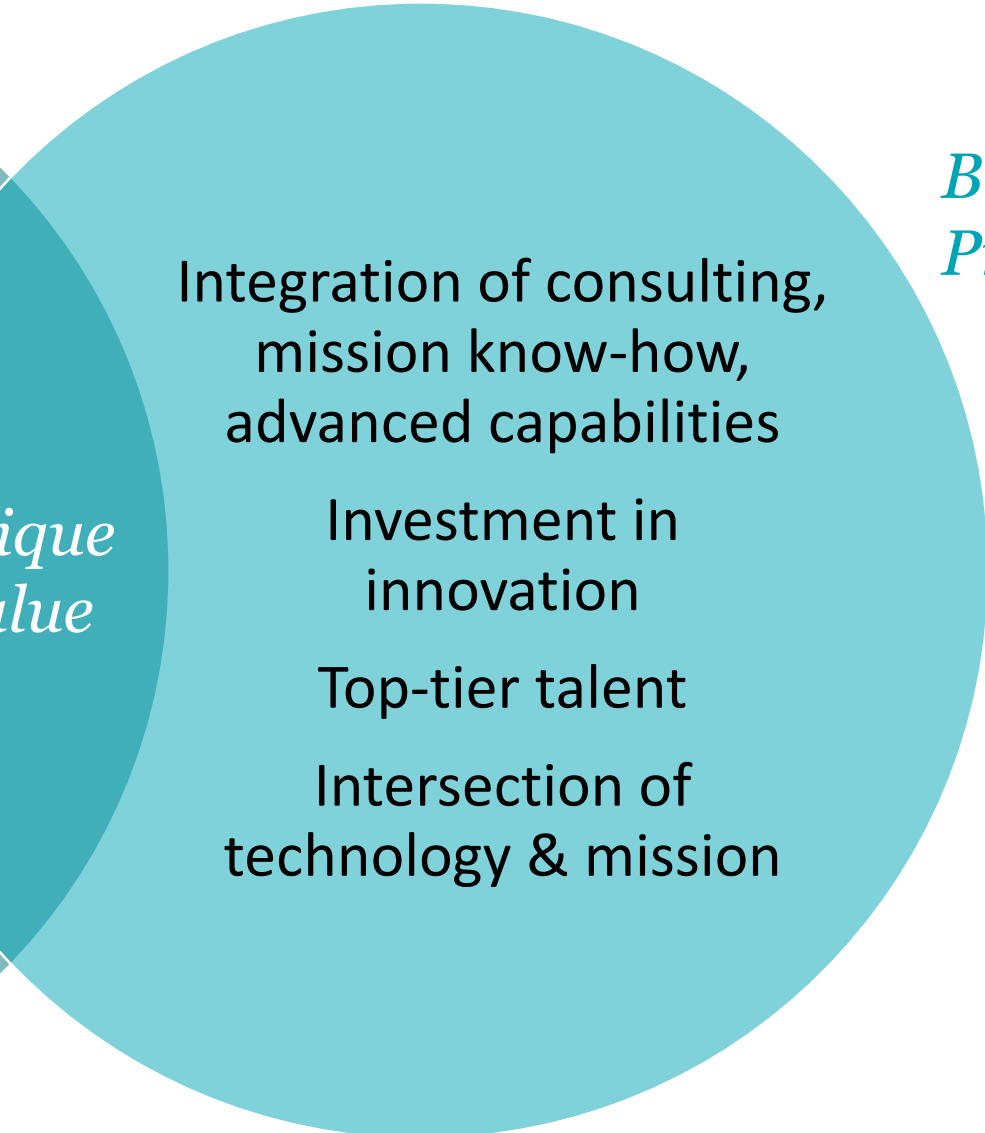
**OPTION  
VALUE**

# OUR UNIQUE MARKET POSITION

*Government Challenges*



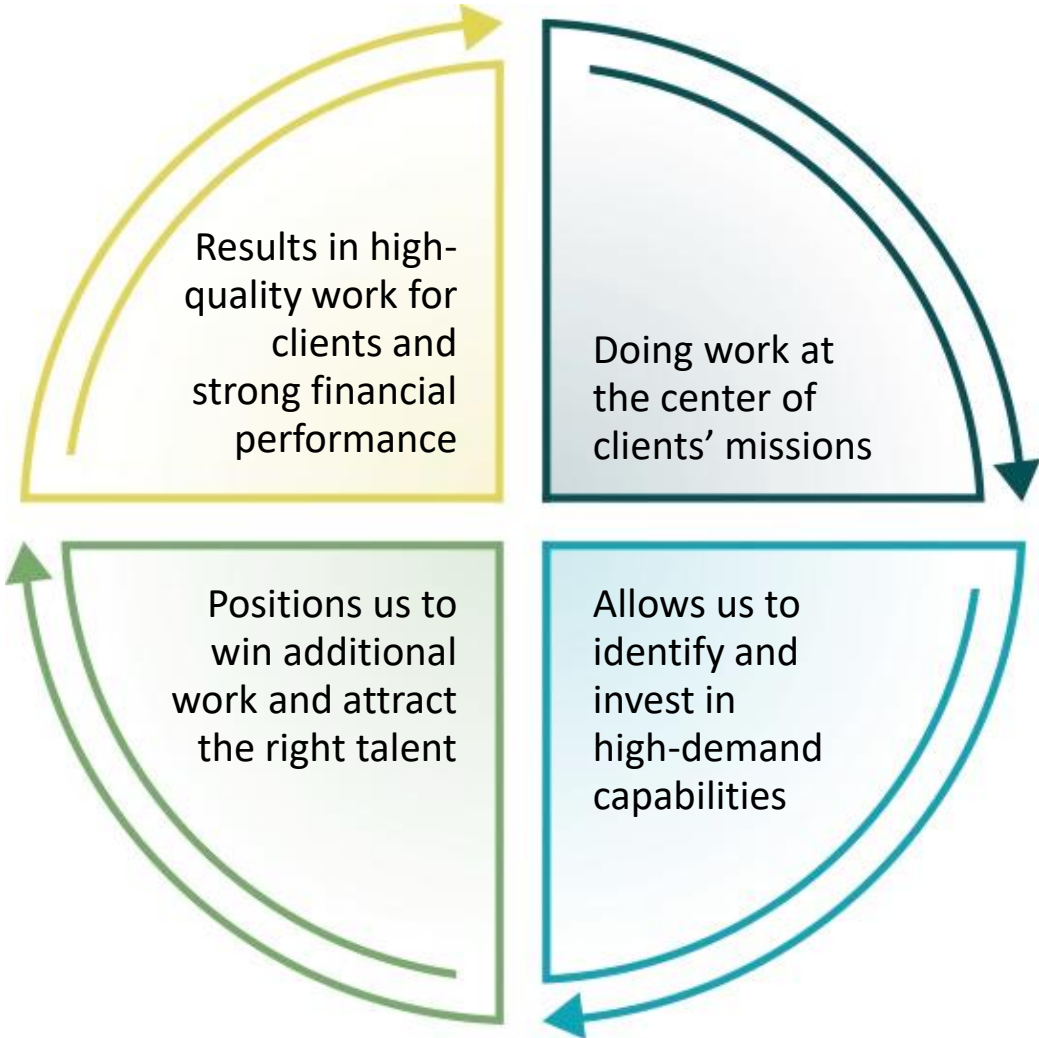
*Unique Value*



*Booz Allen Proposition*

# VIRTUOUS CYCLE CREATES LONG TERM SHAREHOLDER VALUE

WE ARE CREATING VALUE FROM ACCELERATING GROWTH THROUGH A VIRTUOUS CYCLE





# *Aerospace & Engineering*

## CHRIS BOGDAN

*Senior Vice President*

- Leader in Aerospace Account
- Retired as Lieutenant General after a 34 year career in U.S. Air Force as both a test pilot and ultimately an acquisition officer
- Program Executive Officer for the F-35 Lightning II Joint Program Office

## *Civilian Services Group*

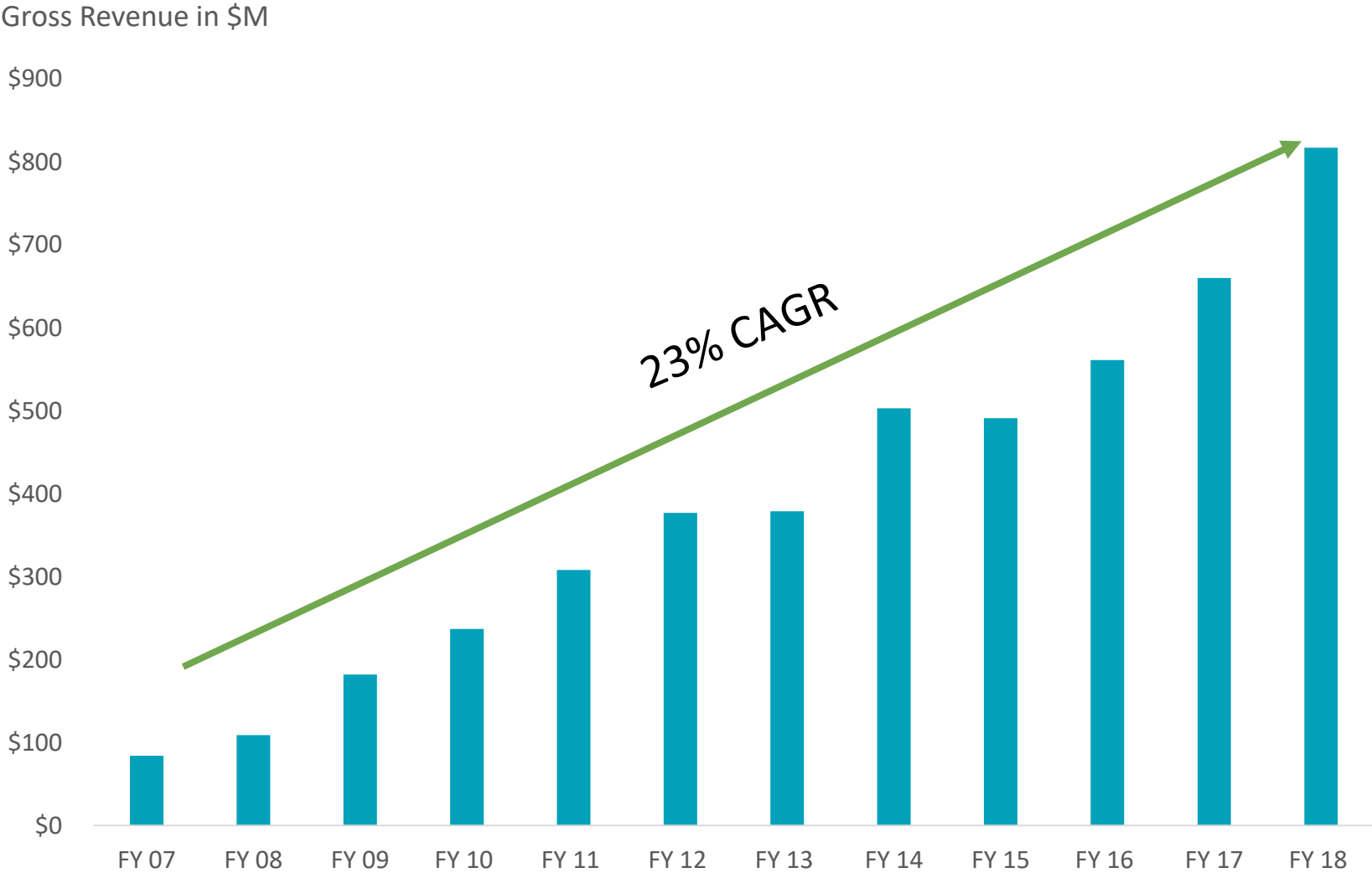
# KRISTINE MARTIN ANDERSON

*Executive Vice President & Group Lead*

- Currently lead Civilian Services Group
- Previously led Health Team, transforming business model
- Prior to joining Booz Allen, served as Vice President for Operations and Strategy at CareScience

# **VIDEO: VETERANS BENEFITS MANAGEMENT SYSTEM**

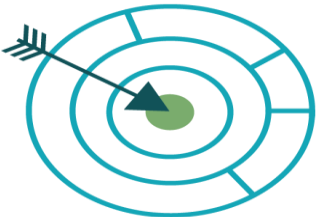
# HEALTH 12 YEAR GROWTH TREND



# LLOYD HOWELL

*Chief Financial Officer and Treasurer*

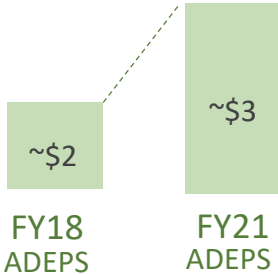
# INVESTMENT THESIS



**UNIQUE  
MARKET  
POSITION**

=

3-year goals:



**STRONG  
FINANCIAL RETURNS**

**50% ADEPS Growth**  
(+~2% Dividend Yield)

<b>6–9%</b>	<b>10–30 bps</b>	<b>~\$1.4B</b>
Annual Revenue Growth	Margin Expansion	Capital Deployment, Incl Dividends

+

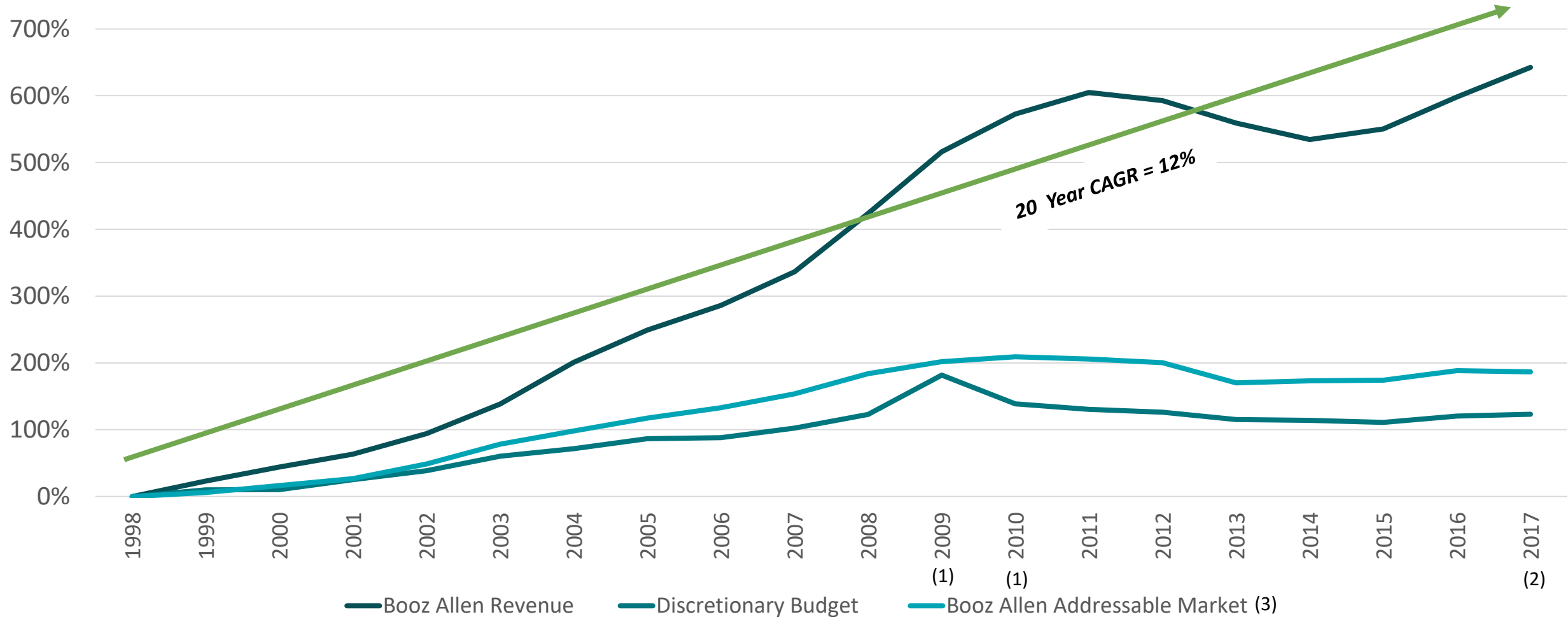


**OPTION  
VALUE**



# GROWTH: HISTORY OF GROWING FASTER THAN MARKET

CUMULATIVE GROWTH RATES OVER TIME SHOW SIGNIFICANT MARKET SHARE GAINS

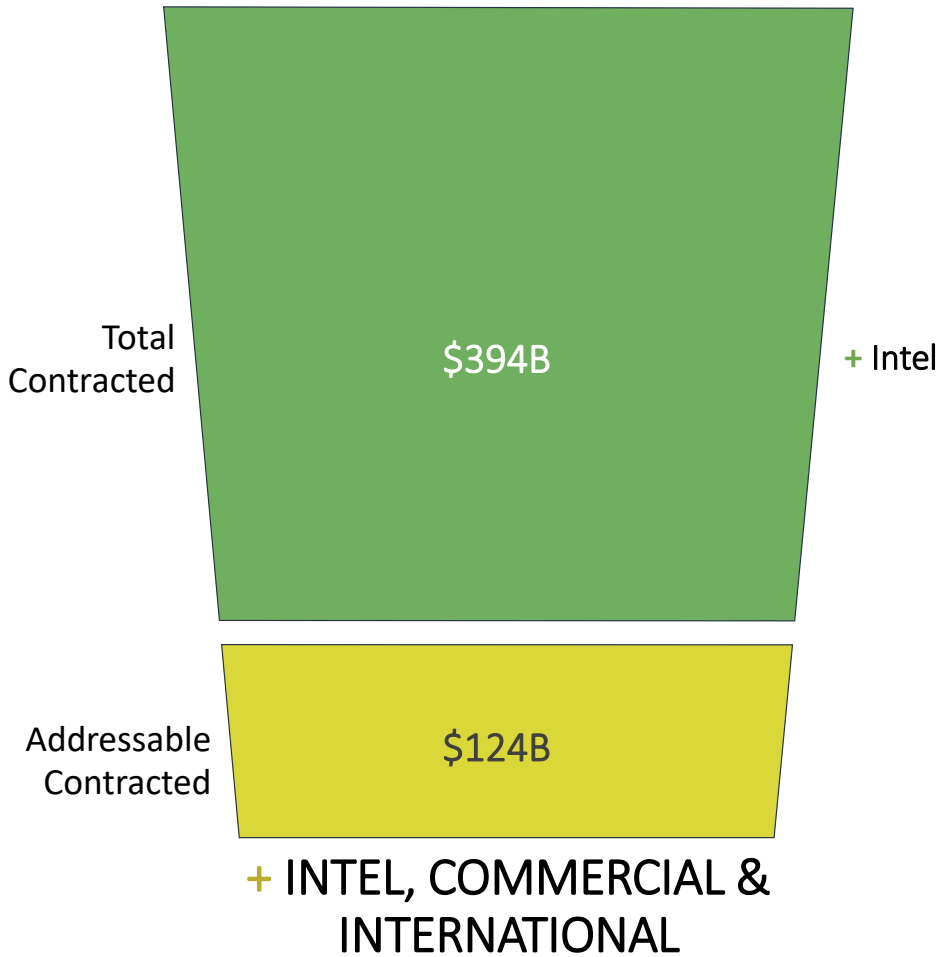


Source: Federal Procurement Data System (FPDS)

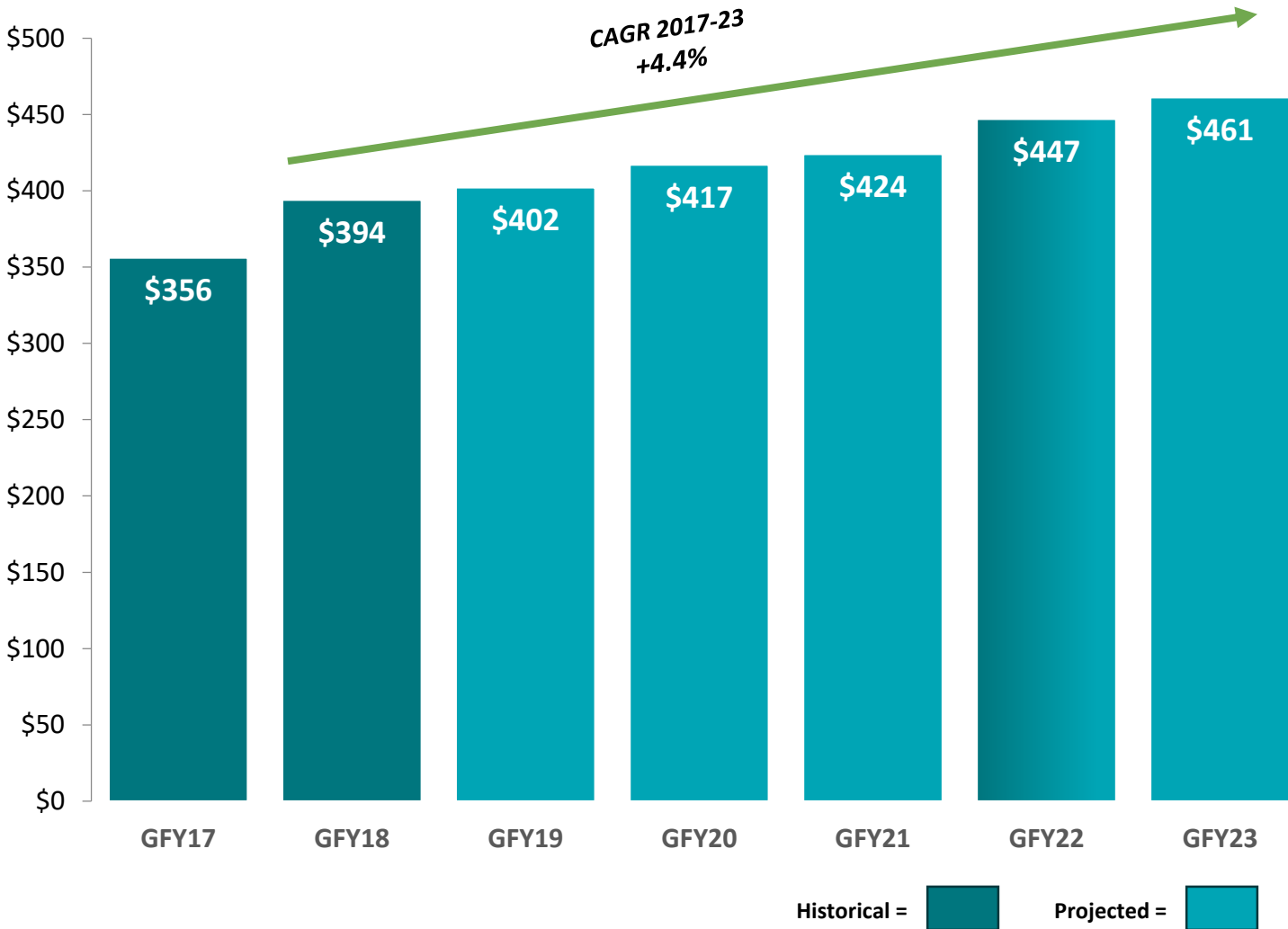
1) FY09 and FY10 discretionary government budget growth rates impacted by the American Reinvestment and Recovery Act (ARRA)  
 2) Based on government fiscal year; assumes government fiscal year 2017 aligns to Booz Allen fiscal year 2018  
 3) Addressable market defined as spending directed towards private contractors for management, technology, and engineering services

# LARGE AND GROWING ADDRESSABLE MARKET

**U.S. GOVERNMENT  
2018 DISCRETIONARY BUDGET (1)**



**Total Contractor-Addressable Services Spending  
(GFY17-GFY23) (\$B)**



Notes:  
(1) U.S. Office of Management and Budget. 2017 Budget of the U.S. Government.

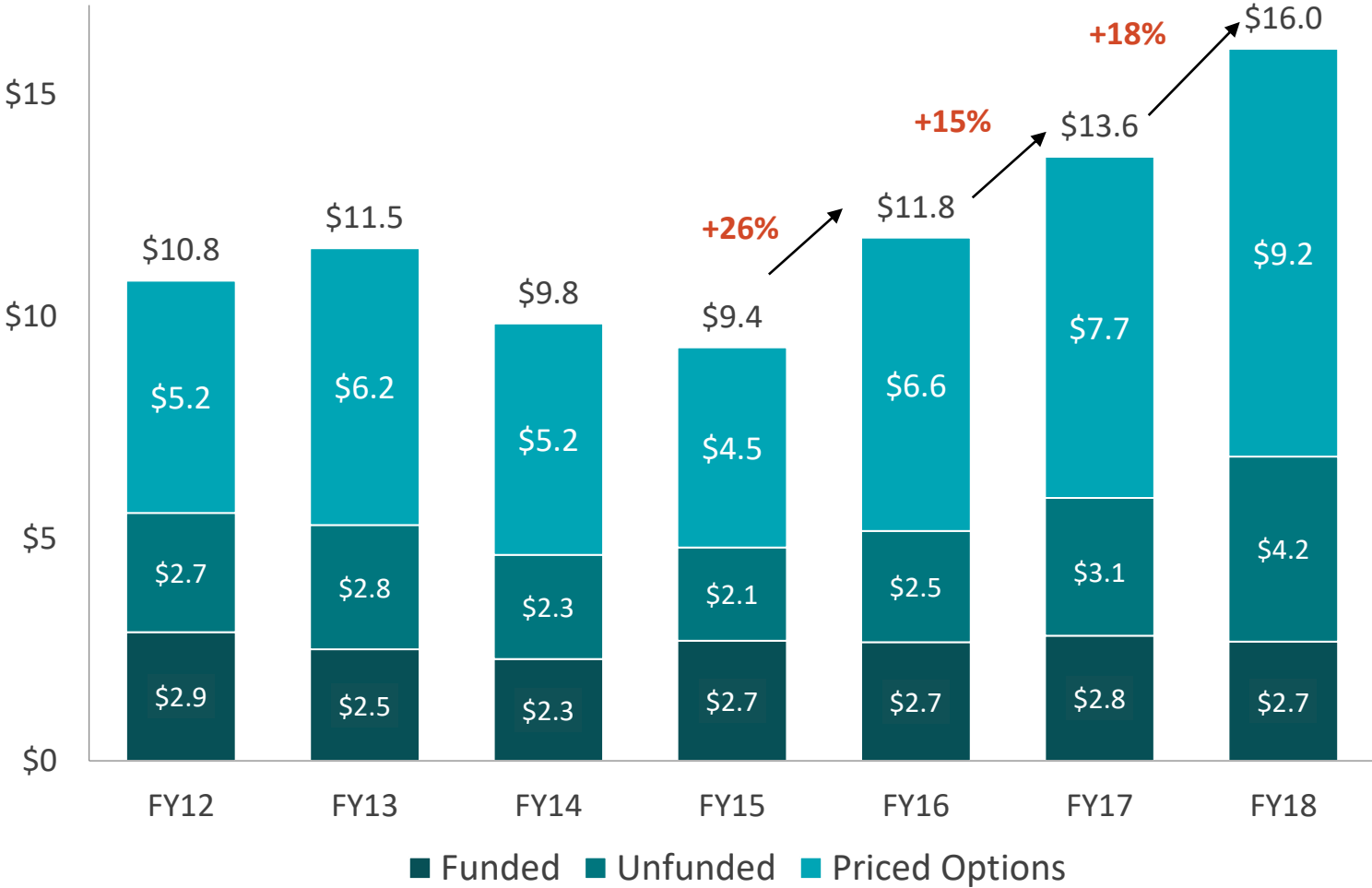
# STRATEGY ALIGNED WITH GOVERNMENT PRIORITIES

	Addressable Market	Projected Growth	Booz Allen Positioning
Data Science & Artificial Intelligence	DS (\$2-\$3B) AI (\$650M)	DS (6-8%) MI (40-60%)	<ul style="list-style-type: none"> <li>• 50+ AI/MI programs, from cutting- edge quantum computing to large agency-wide programs</li> <li>• Only consulting firm certified with NVIDIA’s Deep Learning Institute at both beginner, intermediate levels</li> </ul>
Enterprise-Scale Agile Development	~\$30B for Systems Development	4-6%	<ul style="list-style-type: none"> <li>• Driving transformation across full spectrum of agencies in Defense, Civil, and Intelligence spaces</li> <li>• Leading development of next generation solutions (Rec.gov)</li> </ul>
Secure Cloud & Operational Platforms	\$2-3B	5-8%	<ul style="list-style-type: none"> <li>• Full spectrum offerings helping secure cloud migration</li> <li>• Virtual Cloud Defense offers integrated suite of security tools to protect sensitive cloud-hosted applications</li> <li>• Helped Treasury build what will become first agency level FedRAMP High environment</li> </ul>
Resilient Position, Navigation, and Timing	\$500M	70-80%	<ul style="list-style-type: none"> <li>• Full-suite capabilities enabling system modernization, future state development through open-architecture designs, integration of domains, and mission assurance for the operational warfighter</li> <li>• Deploying next generation capabilities (M-code modernization, signal analysis, visualization enhancing situational awareness) across key Defense client spaces in Army, Navy, Air Force</li> </ul>
Adaptive Cyber Defense	\$15B	4-6%	<ul style="list-style-type: none"> <li>• Differentiated services include Advanced Threat Hunting, Security Automation and Orchestration and Cyber Machine Intelligence, Managed Threat Services</li> <li>• Combine Defense Cyber Operations and Offensive Cyber Operations capabilities to deliver to nation’s leading cyber centers: USCYBERCOM, DHS, DOJ, and other Intel Community partners</li> </ul>
Immersive Technologies	\$2.5-3.5B	20-30%	<ul style="list-style-type: none"> <li>• Integrate data science and machine intelligence to improve human-centered experiences</li> <li>• Innovation studios developing latest and greatest in immersive technology</li> <li>• Deploying leading immersive technologies across key federal clients including Army, Navy, Air Force</li> </ul>

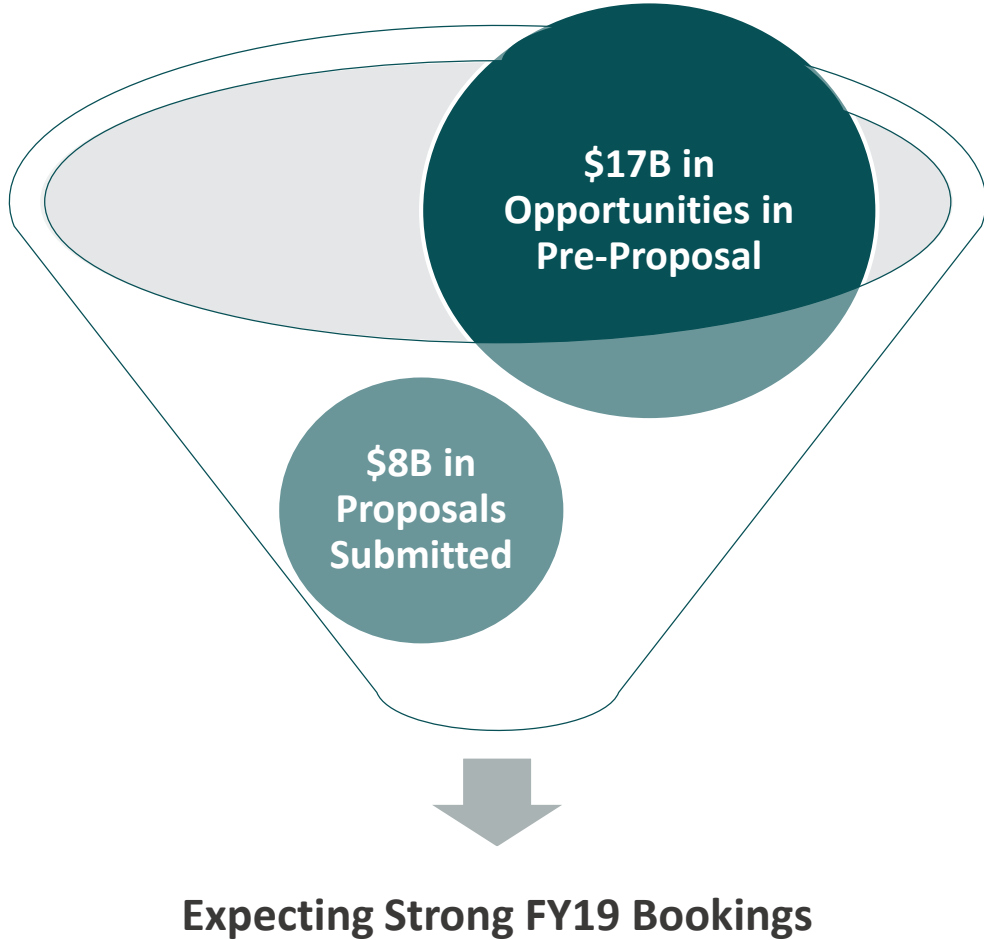
Sources: OMB, DOD (Budget Authority) BGOV [Budget Forecast Dashboard](#) (obligation data) for professional services estimate; [Defense Science Board Technology Strategy Task Force](#)

# AMPLE BACKLOG PIPELINE TO SUPPORT GROWTH EXPECTATIONS

**SOLID BACKLOG GROWTH PROVIDES STRONG REVENUE VISIBILITY (\$B)**



**\$25B QUALIFIED PIPELINE, +10% YOY (60% New Work)**



# GOAL OF 10-30 BPS ADJUSTED EBITDA MARGIN IMPROVEMENT OVER 3 YEARS



## MARGIN LEVERS

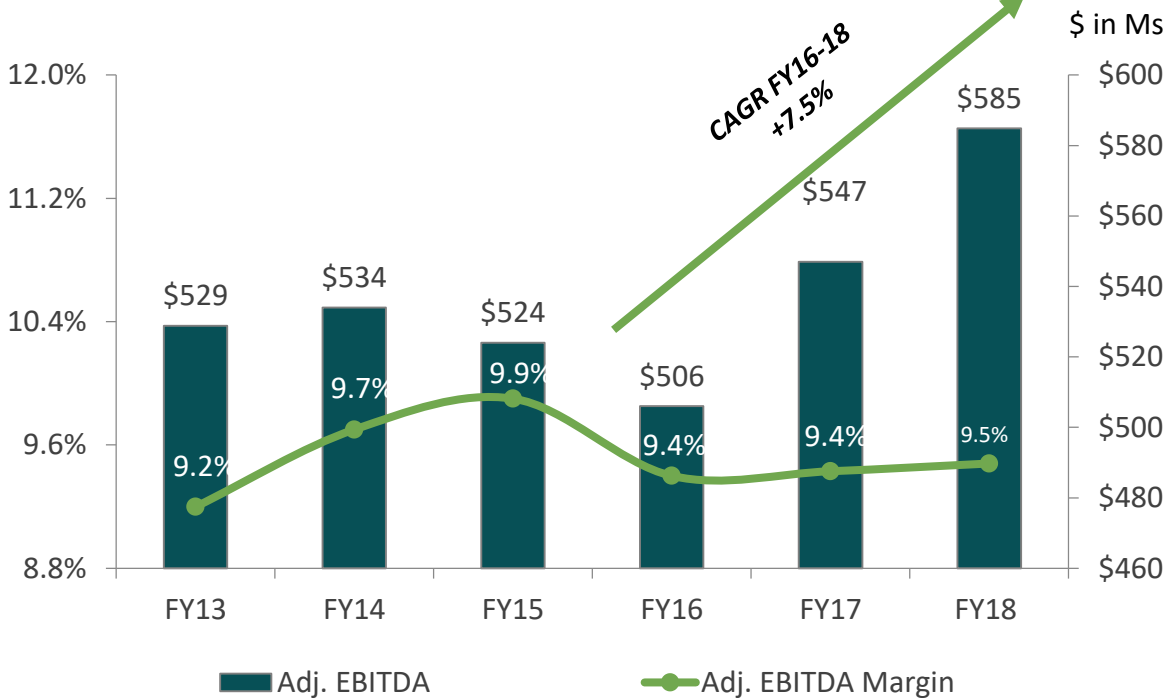
- Mix shift—commercial, international
- Fixed-price technology work
- Emerging businesses
- Operating scale



## Potential Limits on MARGIN EXPANSION

- Growth in defense and intelligence work - typically higher proportion of cost-plus work
- Pursuit of larger, more complex bids - can include higher billable expense ratio
- Continued investment in growth and hiring

ACCELERATING ADJUSTED EBITDA AND ABILITY TO DRIVE MARGINS WHEN NEEDED



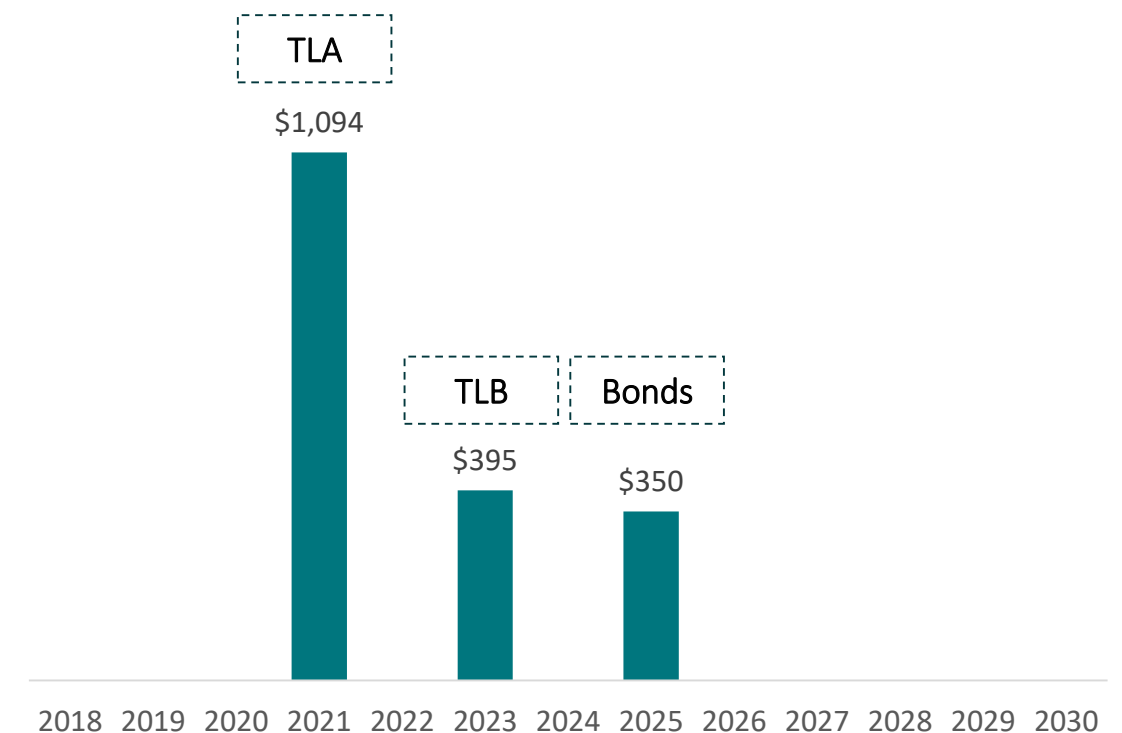
# SUFFICIENT BALANCE SHEET CAPACITY AND FLEXIBILITY TO EXECUTE CAPITAL DEPLOYMENT STRATEGY

- Accelerating revenue growth to drive EBITDA
- Ample room relative to net operating leverage target of ~3.0x-3.5x
- No near-term maturities or financing requirements (1)
- ~43% of debt fixed, including swaps
- ~55% flexible, pre-payable debt
- FY 18 total liquidity of \$787M: cash balance of \$287M + revolver availability of \$500M

## BOOZ ALLEN DEBT MATURITY PROFILE

Current Balances Due as of 3/31/18 (\$M)

Leverage: 2.6x



(1) "From time to time, we evaluate, and we currently are evaluating, conditions in the financing markets for opportunities to improve the terms of our indebtedness or obtain additional debt financing, including through amendments to our Credit Agreement. Such amendments could include a reduction of the effective interest on our outstanding indebtedness, improvements to the covenants, extension of maturity dates, increases to borrowing capacity under our Credit Agreement and other provisions governing our outstanding indebtedness. Funds obtained from any additional financing may be used to, among other things, finance share repurchases."

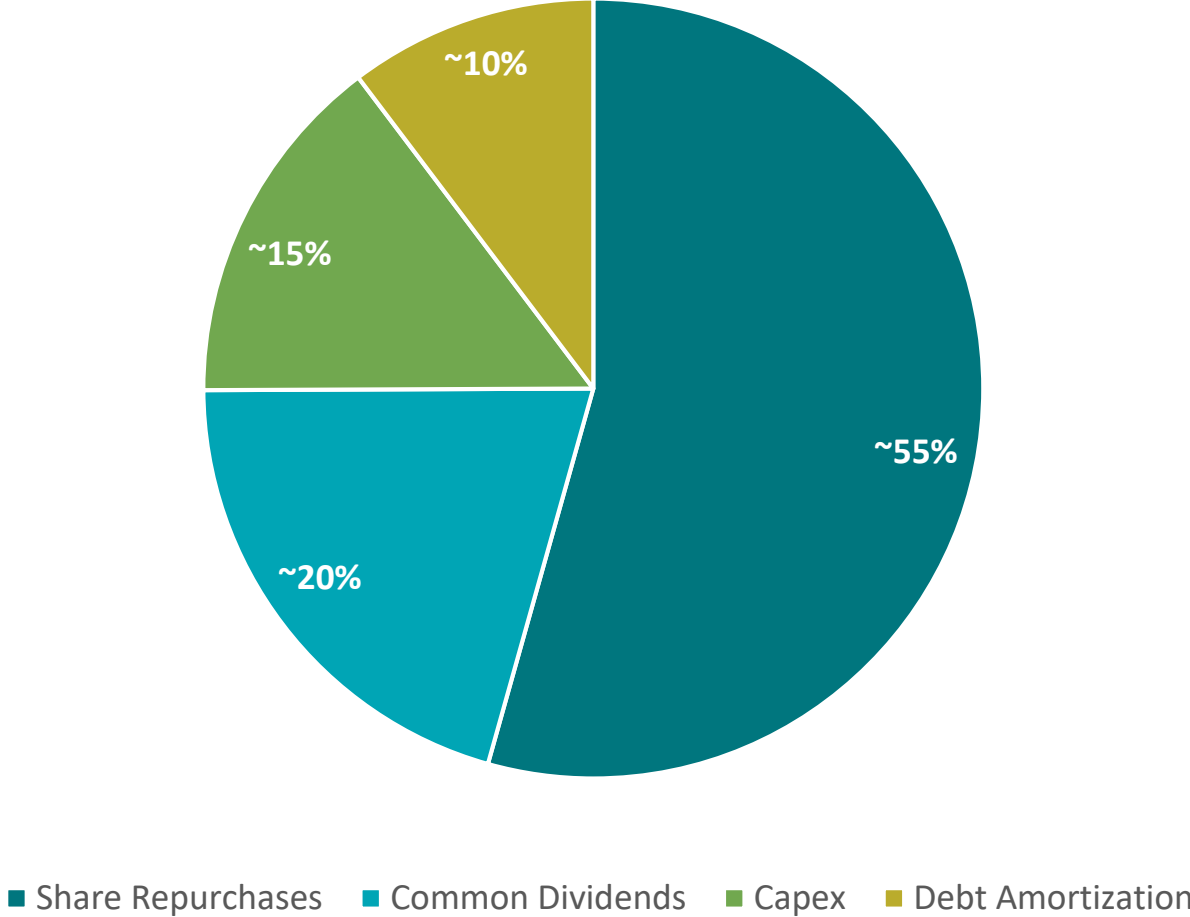


# PLAN TO MAINTAIN DISCIPLINED, SHAREHOLDER-FRIENDLY CAPITAL ALLOCATION

## CURRENT CAPITAL ALLOCATION PRIORITIES

-  **WORKING CAPITAL NEEDS**
-  **QUARTERLY DIVIDEND**
-  **CAPEX REQUIREMENTS**
-  **APPROPRIATELY PRICED STRATEGIC ACQUISITIONS**
-  **SHARE REPURCHASES**
-  **SPECIAL DIVIDEND**
-  **DEBT REPAYMENT**

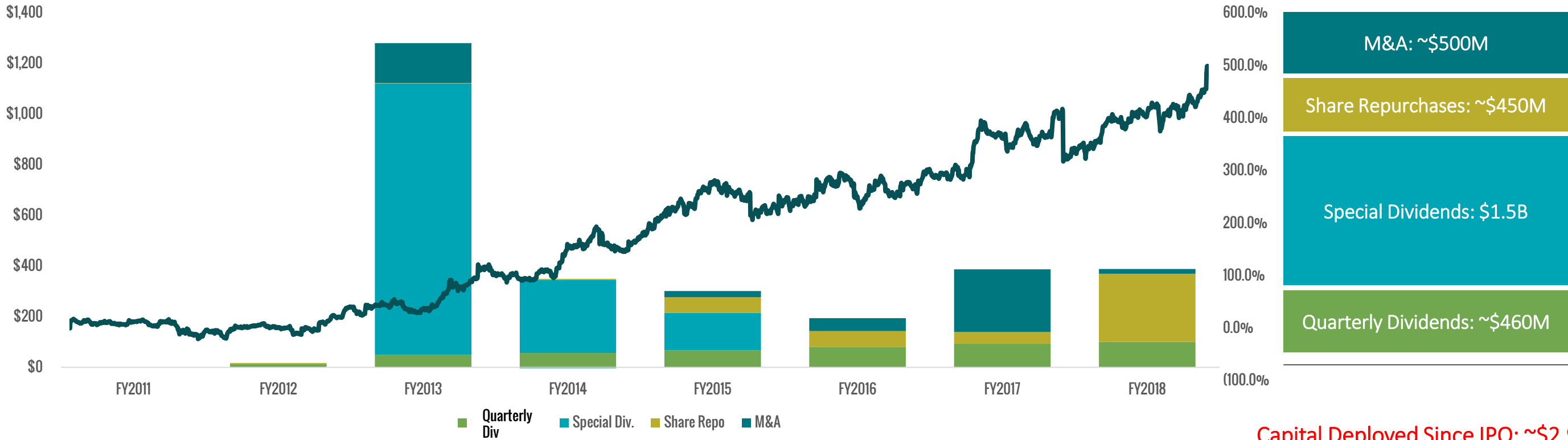
## REPRESENTATIVE 3-YEAR PROJECTED CAPITAL DEPLOYMENT (EXCLUDING M&A)



# TRACK RECORD OF DEPLOYING CAPITAL TO DELIVER SHAREHOLDER VALUE

## CAPITAL DEPLOYMENT AND TSR PERFORMANCE SINCE IPO

TSR Since IPO: 499%<sup>(1)</sup>



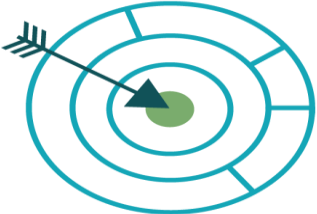
Capital Deployed Since IPO: ~\$2.9B

<sup>1</sup> As of 5/31/2018; Assumes dividend reinvestment

## STRONG FY18 PERFORMANCE AND PROSPECTS FOR FY19

	FY18	FY19 Expected
<b>% Revenue Growth</b>	6.3%	~6.0-8.0%
<b>Adjusted EBITDA, % Growth</b>	\$585M (6.9%)	Not Guided To
<b>ADEPS</b>	\$2.01	\$2.35 – \$2.50
<b>ADEPS % Growth</b>	15%	17-24%
<b>Capital Deployed (Acquisitions, Dividends, and Share Repurchases)</b>	~\$394M	\$350M+

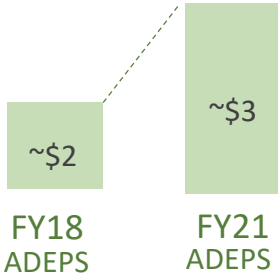
# INVESTMENT THESIS



**UNIQUE  
MARKET  
POSITION**

=

3-year goals:



**STRONG  
FINANCIAL RETURNS**

**50% ADEPS Growth**  
(+~2% Dividend Yield)

<b>6–9%</b>	<b>10–30 bps</b>	<b>~\$1.4B</b>
Annual Revenue Growth	Margin Expansion	Capital Deployment, Incl Dividends

+



**OPTION  
VALUE**

# QUESTIONS?



# HORACIO ROZANSKI

*President & Chief Executive Officer*



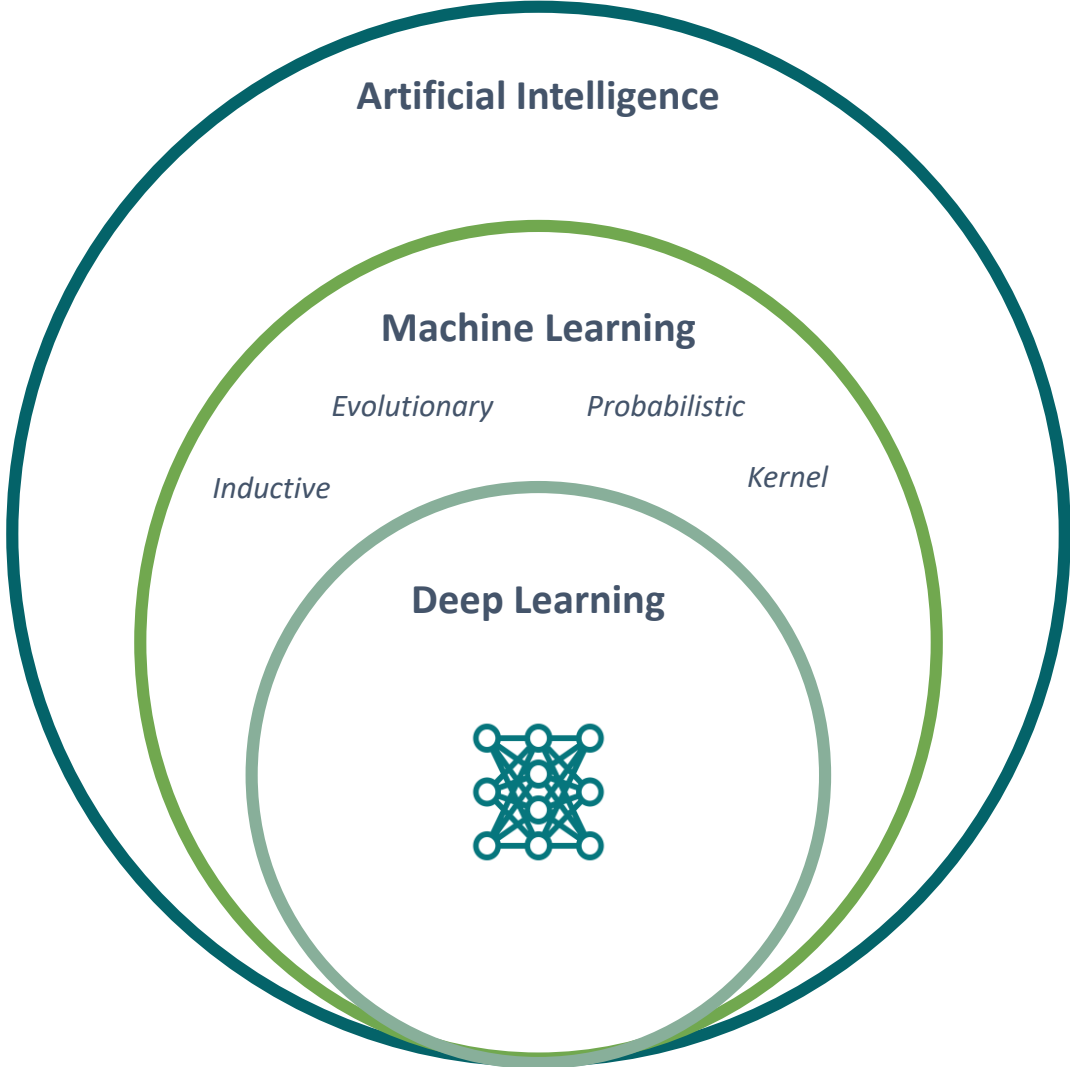
# *Artificial Intelligence*

## DR. JOSHUA SULLIVAN


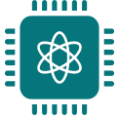

*Senior Vice President*

- Currently lead the Analytics Team
- Authored best-selling book *The Mathematical Corporation*
- Prior to joining Booz Allen, held leadership roles at software company and engineering roles with the Federal Government

# MACHINES ARE LEARNING HOW TO PERFORM LIKE PEOPLE



**Hyperscale Hardware**

-  GPUs
-  Quantum Annealing
-  ASICs

# VIDEO: ARTIFICIAL INTELLIGENCE FOR THE DEFENSE AND INTELLIGENCE MISSION

# ARTIFICIAL INTELLIGENCE MARKET OVERVIEW



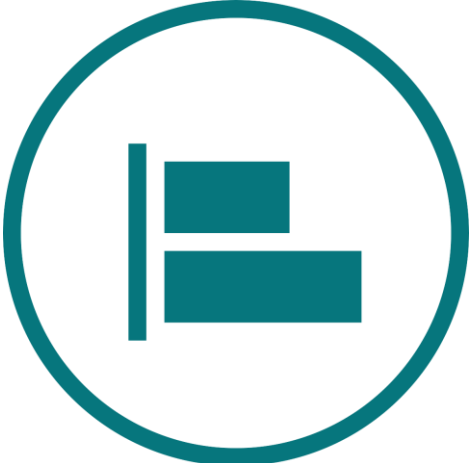
**\$24 B**

Addressable Federal Market for AI  
GFY 2018-2025



**\$649 M**

Expected current year Federal spending for AI  
GFY 2018



**3**

Create margin enhancement by bundling three offerings, software, services, and hardware resales

## CASE STUDY: ALGORITHMIC WARFARE



# 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 (the "Carlyle Acquisition"), and (ii) transaction costs, fees, losses, and expenses, including fees associated with debt prepayments. We prepare Adjusted Operating Income to eliminate the impact of items we do not consider indicative of ongoing operating performance due to their inherent unusual, extraordinary, or non-recurring nature or because they result from an event of a similar nature.
- "Adjusted EBITDA" represents net income before income taxes, net interest and other expense and depreciation and amortization and before certain other items, including transaction costs, fees, losses, and expenses, including fees associated with debt prepayments. "Adjusted EBITDA Margin on Revenue" is calculated as Adjusted EBITDA divided by revenue. Adjusted EBITDA Margin on Revenue, Excluding Billable Expenses is calculated as Adjusted EBITDA divided by Revenue, Excluding Billable Expenses. The Company prepares Adjusted EBITDA, Adjusted EBITDA Margin on Revenue, and Adjusted EBITDA Margin on Revenue, Excluding Billable Expenses to eliminate the impact of items it does not consider indicative of ongoing operating performance due to their inherent unusual, extraordinary or non-recurring nature or because they result from an event of a similar nature.
- "Adjusted Net Income" represents net income before: (i) adjustments related to the amortization of intangible assets resulting from the Carlyle Acquisition, (ii) transaction costs, fees, losses, and expenses, including fees associated with debt prepayments, (iii) amortization or write-off of debt issuance costs and write-off of original issue discount, (iv) release of income tax reserves, and (v) re-measurement of deferred tax assets and liabilities as a result of the Tax Cuts and Jobs Act (the "2017 Tax Act") in each case net of the tax effect where appropriate calculated using an assumed effective tax rate. We prepare Adjusted Net Income to eliminate the impact of items, net of tax, we do not consider indicative of ongoing operating performance due to their inherent unusual, extraordinary, or non-recurring nature or because they result from an event of a similar nature. We view net income excluding the impact of the re-measurement of the Company's deferred tax assets and liabilities as a result of the 2017 Tax Act as an important indicator of performance consistent with the manner in which management measures and forecasts the Company's performance and the way in which management is incentivized to perform.
- "Adjusted Diluted EPS" represents diluted EPS calculated using Adjusted Net Income as opposed to net income. Additionally, Adjusted Diluted EPS does not contemplate any adjustments to net income as required under the two-class method as disclosed in the footnotes to the consolidated financial statements.
- "Free Cash Flow" represents the net cash generated from operating activities less the impact of purchases of property and equipment.

# NON-GAAP FINANCIAL INFORMATION

(Amounts in thousands, except share and per share data)	Three Months Ended March 31,		Fiscal Year Ended March 31,	
	2018	2017	2018	2017
<b>Revenue, Excluding Billable Expenses</b>				
Revenue	\$ 1,636,284	\$ 1,582,071	\$ 6,171,853	\$ 5,804,284
Billable expenses	483,077	480,136	1,861,312	1,751,077
Revenue, Excluding Billable Expenses	\$ 1,153,207	\$ 1,101,935	\$ 4,310,541	\$ 4,053,207
<b>Adjusted Operating Income</b>				
Operating Income	\$ 136,048	\$ 129,161	\$ 520,085	\$ 484,247
Amortization of intangible assets (a)	—	1,056	—	4,225
Transaction expenses (b)	—	—	—	3,354
Adjusted Operating Income	\$ 136,048	\$ 130,217	\$ 520,085	\$ 491,826
<b>EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin on Revenue &amp; Adjusted EBITDA Margin on Revenue, Excluding Billable Expenses</b>				
Net income	\$ 84,885	\$ 66,253	\$ 305,111	\$ 252,490
Income tax expense	27,537	41,921	132,893	159,410
Interest and other, net (c)	23,626	20,987	82,081	72,347
Depreciation and amortization	16,560	15,956	64,756	59,544
EBITDA	152,608	145,117	584,841	543,791
Transaction expenses (b)	—	—	—	3,354
Adjusted EBITDA	\$ 152,608	\$ 145,117	\$ 584,841	\$ 547,145
Adjusted EBITDA Margin on Revenue	9.3 %	9.2 %	9.5 %	9.4 %
Adjusted EBITDA Margin on Revenue, Excluding Billable Expenses	13.2 %	13.2 %	13.6 %	13.5 %
<b>Adjusted Net Income</b>				
Net income	\$ 84,885	\$ 66,253	\$ 305,111	\$ 252,490
Amortization of intangible assets (a)	—	1,056	—	4,225
Transaction expenses (b)	—	—	—	3,354
Re-measurement of deferred tax assets/liabilities (d)	(9,107)	—	(9,107)	—
Amortization or write-off of debt issuance costs and write-off of original issue discount	662	630	2,655	8,866
Adjustments for tax effect (e)	(242)	(674)	(969)	(6,578)
Adjusted Net Income	\$ 76,198	\$ 67,265	\$ 297,690	\$ 262,357
<b>Adjusted Diluted Earnings Per Share</b>				
Weighted-average number of diluted shares outstanding	145,577,134	150,661,457	147,750,022	150,274,640
Adjusted Net Income Per Diluted Share (f)	\$ 0.52	\$ 0.45	\$ 2.01	\$ 1.75
<b>Free Cash Flow</b>				
Net cash provided by operating activities	\$ 122,223	\$ 99,235	\$ 369,143	\$ 382,277
Less: Purchases of property and equipment	(15,370)	(23,365)	(78,437)	(53,919)
Free Cash Flow	\$ 106,853	\$ 75,870	\$ 290,706	\$ 328,358

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

(b) Reflects debt refinancing costs incurred in connection with the refinancing transaction consummated on July 13, 2016.

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

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

(e) Periods related 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 2017 Tax Act, adjustments are reflected using an assumed effective tax rate of 36.5%, which approximates a blended federal and state tax rate for fiscal 2018, and consistently excludes the impact of other tax credits and incentive benefits realized.

(f) Excludes an adjustment of approximately \$0.5 million and \$1.9 million of net earnings for the three and twelve months ended March 31, 2018, respectively, and excludes an adjustment of approximately \$0.6 million and \$2.3 million of net earnings for the three and twelve months ended March 31, 2017, respectively, associated with the application of the two-class method for computing diluted earnings per share.

# FINANCIAL AND OPERATIONAL HIGHLIGHTS

## CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS (a)

	FY2016					FY2017					FY2018					
	Q1	Q2	Q3	Q4	FY2016	Q1	Q2	Q3	Q4	FY2017	Q1	Q2	Q3	Q4	FY2018	
	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	3/31/2018		
<i>\$ in thousands, except for shares and per share data</i>																
Revenue	\$ 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	\$ 1,636,284	\$ 6,171,853	
Billable Expenses	\$ 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	\$ 483,077	\$ 1,861,312	
Operating income	\$ 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	\$ 136,048	\$ 520,085	
Income before income taxes	\$ 108,586	\$ 90,953	\$ 87,909	\$ 92,014	\$ 379,462	\$ 113,364	\$ 97,747	\$ 92,615	\$ 108,174	\$ 411,900	\$ 121,478	\$ 106,091	\$ 98,013	\$ 112,422	\$ 438,004	
Net income	\$ 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	\$ 84,885	\$ 305,111	
<b>Weighted Average Shares Outstanding <sup>(b)</sup></b>																
Basic	145,251,780	146,176,944	147,428,588	147,130,727	146,494,407	147,241,782	148,008,994	148,679,393	148,980,214	148,218,968	147,714,993	147,085,314	144,942,367	144,055,001	145,964,574	
Diluted	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	145,577,134	147,750,022	
<b>Earnings per Common Share <sup>(b)</sup></b>																
Basic	\$ 0.44	\$ 0.38	\$ 0.72	\$ 0.44	\$ 1.98	\$ 0.46	\$ 0.42	\$ 0.37	\$ 0.44	\$ 1.69	\$ 0.53	\$ 0.48	\$ 0.48	\$ 0.59	\$ 2.08	
Diluted	\$ 0.43	\$ 0.37	\$ 0.71	\$ 0.43	\$ 1.94	\$ 0.45	\$ 0.41	\$ 0.37	\$ 0.44	\$ 1.67	\$ 0.53	\$ 0.47	\$ 0.47	\$ 0.58	\$ 2.05	

a All interim periods reflect unaudited numbers while annual numbers are audited.

b Basic and diluted weighted average shares outstanding and earnings per common share amounts are calculated using the two-class method.

# FINANCIAL AND OPERATIONAL HIGHLIGHTS

## UNAUDITED NON-GAAP FINANCIAL INFORMATION (a)

	FY2016					FY2017					FY2018				
	Q1	Q2	Q3	Q4	FY2016	Q1	Q2	Q3	Q4	FY2017	Q1	Q2	Q3	Q4	FY2018
	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	3/31/2018	
<i>\$ in thousands, except for shares and per share data</i>															
<b>Revenue, Excluding Billable Expenses</b>															
Revenue	\$ 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	\$ 1,636,284	\$ 6,171,853
Billable Expenses	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	483,077	1,861,312
Revenue, Excluding Billable Expenses	\$ 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	\$ 1,153,207	\$ 4,310,541
<b>Adjusted Operating Income</b>															
Operating income	\$ 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	\$ 136,048	\$ 520,085
Amortization of intangible assets (b)	1,056	1,056	1,056	1,057	4,225	1,126	987	1,056	1,056	4,225	—	—	—	—	—
Transaction expenses (c)	—	—	—	—	—	—	3,354	—	—	3,354	—	—	—	—	—
Adjusted Operating Income	\$ 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	\$ 136,048	\$ 520,085
<b>EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin on Revenue, Excluding Billable</b>															
Net income	\$ 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	\$ 84,885	\$ 305,111
Income tax expense (benefit)	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	27,537	132,893
Interest and other, net (d)	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	23,626	82,081
Depreciation and amortization	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	16,560	64,756
EBITDA	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	152,608	584,841
Transaction expenses (c)	—	—	—	—	—	—	3,354	—	—	3,354	—	—	—	—	—
Adjusted EBITDA	\$ 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	\$ 152,608	\$ 584,841
Adjusted EBITDA Margin on Revenue (%)	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 %	9.3 %	9.5 %
Adjusted EBITDA Margin on Revenue, Excluding Billable Expenses (%)	14.5 %	13.0 %	12.7 %	11.8 %	13.0 %	14.5 %	13.8 %	12.6 %	13.2 %	13.5 %	14.9 %	13.5 %	12.8 %	13.2 %	13.6 %
<b>Adjusted Net Income</b>															
Net income	\$ 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	\$ 84,885	\$ 305,111
Transaction expenses (c)	—	—	—	—	—	—	3,354	—	—	3,354	—	—	—	—	—
Release of income tax reserves (e)	—	—	(47,667)	(5,634)	(53,301)	—	—	—	—	—	—	—	—	—	—
Amortization of intangible assets (b) assets/liabilities (f)	1,056	1,056	1,056	1,057	4,225	1,126	987	1,056	1,056	4,225	—	—	—	—	(9,107)
Amortization or write-off of debt issuance costs and write-off of original issue discount	1,294	1,309	1,307	1,291	5,201	1,289	6,278	669	630	8,866	658	663	672	662	2,655
Adjustments for tax effect (g)	(940)	(946)	(945)	(939)	(3,770)	(966)	(4,248)	(690)	(674)	(6,578)	(263)	(265)	(199)	(242)	(969)
Adjusted Net Income	\$ 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	\$ 76,198	\$ 297,690
<b>Adjusted Diluted Earnings per Share</b>															
Weighted-average number of diluted shares outstanding	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	145,577,134	147,750,022
Adjusted Net Income per Diluted Share (h)	\$ 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	\$ 0.52	\$ 2.01
<b>Free Cash Flow</b>															
Net cash provided by operating activities	\$ 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	\$ 122,223	\$ 369,143
Less: Purchases of property and equipment	(13,140)	(16,422)	(16,267)	(20,806)	(66,635)	(6,171)	(8,972)	(15,411)	(23,365)	(53,919)	(11,536)	(25,453)	(28,078)	(15,370)	(78,437)
Free Cash Flow	\$ 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	\$ 106,853	\$ 290,706
Free Cash Flow to Adjusted Net Income Conversion Ratio	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	1.4	1.0

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 debt refinancing costs incurred in connection with the refinancing transaction consummated on July 13, 2016.

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

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

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

g Periods prior to the third quarter in fiscal 2018 reflect the tax effect of adjustments at an assumed effective tax rate of 40%. Beginning in the third quarter of fiscal 2018 with the enactment of the Tax Cuts and Jobs Act, adjustments are reflected using an assumed effective tax rate of 36.5%, which approximates a blended federal and state tax rate for fiscal 2018, and consistently excludes the impact of other tax credits and incentive benefits realized.

h 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	FY2018
<b>Revenue, Excluding Billable Expenses</b>											
Revenue			\$ 5,122,633	\$ 5,591,296	\$ 5,859,218	\$ 5,758,059	\$ 5,478,693	\$ 5,274,770	\$ 5,405,738	\$ 5,804,284	\$ 6,171,853
Billable Expenses			329,100	1,509,170	1,529,092	1,532,590	1,487,115	1,406,527	1,513,083	1,751,077	1,861,312
Revenue, Excluding Billable Expenses			\$ 4,793,533	\$ 4,082,126	\$ 4,330,126	\$ 4,225,469	\$ 3,991,578	\$ 3,868,243	\$ 3,892,655	\$ 4,053,207	\$ 4,310,541
<b>Adjusted Operating Income</b>											
Operating income	\$ 66,401	\$ 199,554	\$ 319,444	\$ 387,432	\$ 446,234	\$ 460,611	\$ 458,822	\$ 444,584	\$ 484,247	\$ 520,085	
Certain stock-based compensation expense <sup>(i)</sup>	82,019	68,517	39,947	14,241	5,868	1,094	—	—	—	—	—
Amortization of intangible assets <sup>(b)</sup>	57,833	40,597	28,641	16,364	12,510	8,450	4,225	4,225	4,225	4,225	—
Net restructuring charge <sup>(h)</sup>	—	—	—	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	\$ 520,085	
<b>EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin on Revenue &amp; Adjusted EBITDA Margin on Revenue, Excluding Billable Expenses</b>											
Net income	\$ 17,874	\$ (49,441)	\$ 25,419	\$ 84,694	\$ 239,955	\$ 219,058	\$ 232,188	\$ 232,569	\$ 294,094	\$ 252,490	\$ 305,111
Income tax expense (benefit)	62,693	(25,831)	23,575	43,370	103,919	149,253	148,599	153,349	85,368	159,410	132,893
Interest and other, net	1,808	141,673	150,560	191,380	43,558	77,923	79,824	72,904	65,122	72,347	82,081
Depreciation and amortization	33,079	106,335	95,763	80,603	75,205	74,009	72,327	62,660	61,536	59,544	64,796
EBITDA	115,454	172,736	295,317	400,047	462,637	520,243	532,938	521,482	506,120	543,791	584,841
Certain stock-based compensation expense <sup>(i)</sup>	35,013	82,019	68,517	39,947	14,241	5,868	1,094	—	—	—	—
Net restructuring charge <sup>(h)</sup>	—	—	—	—	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	\$ 488,080	\$ 528,836	\$ 534,032	\$ 523,521	\$ 506,120	\$ 547,145	\$ 584,841
Adjusted EBITDA Margin on Revenue (%)			7.2 %	7.9 %	8.3 %	9.2 %	9.7 %	9.9 %	9.4 %	9.4 %	9.5 %
Adjusted EBITDA Margin on Revenue, Excluding Billable Expenses (%)				10.9 %	11.3 %	12.5 %	13.4 %	13.5 %	13.0 %	13.5 %	13.6 %
<b>Adjusted Net Income</b>											
Net income	\$ (49,441)	\$ 25,419	\$ 84,694	\$ 239,955	\$ 219,058	\$ 232,188	\$ 232,569	\$ 294,094	\$ 252,490	\$ 305,111	
Certain stock-based compensation expense <sup>(i)</sup>	82,019	68,517	39,947	14,241	5,868	1,094	—	—	—	—	—
Net restructuring charge <sup>(h)</sup>	—	—	—	—	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 <sup>(b)</sup>	57,833	40,597	28,641	16,364	12,510	8,450	4,225	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	2,655	—
Net gain on sale of state and local transportation business <sup>(c)</sup>	—	—	—	—	(5,681)	—	—	—	—	—	—
Release of income tax reserves <sup>(d)</sup>	—	—	(10,966)	(35,022)	—	—	—	—	(53,301)	—	—
Re-measurement of deferred tax assets/liabilities <sup>(e)</sup>	—	—	—	—	—	—	—	—	—	—	(9,107)
Adjustments for tax effect <sup>(f)</sup>	(58,414)	(47,721)	(55,855)	(18,628)	(13,649)	(6,505)	(5,124)	(3,770)	(6,578)	(969)	—
Adjusted Net Income	\$ 38,180	\$ 97,001	\$ 157,511	\$ 227,194	\$ 239,530	\$ 241,946	\$ 240,254	\$ 246,449	\$ 262,357	\$ 297,690	
<b>Adjusted Diluted Earnings per Share</b>											
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	147,750,022	
Adjusted Net Income per Diluted Share <sup>(g)</sup>	\$ 0.36	\$ 0.83	\$ 1.24	\$ 1.61	\$ 1.65	\$ 1.63	\$ 1.60	\$ 1.65	\$ 1.75	\$ 2.01	
<b>Free Cash Flow</b>											
Net cash provided by operating activities	\$ (6,217)	\$ 270,484	\$ 296,339	\$ 360,046	\$ 464,654	\$ 332,718	\$ 309,958	\$ 249,234	\$ 382,277	\$ 369,143	
Less: Purchases of property and equipment	(48,149)	(49,271)	(88,784)	(76,925)	(33,113)	(20,905)	(36,041)	(66,635)	(53,919)	(78,437)	
Free Cash Flow	\$ (52,366)	\$ 221,213	\$ 207,555	\$ 283,121	\$ 431,541	\$ 311,813	\$ 273,917	\$ 182,599	\$ 328,358	\$ 290,706	
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	1.0	

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 before Fiscal 2018 reflect the tax effect of adjustments at an assumed effective tax rate of 40%. Beginning in the third quarter of fiscal 2018 with the enactment of the Tax Cuts and Jobs Act, adjustments are reflected using an assumed effective tax rate of 36.5%, which approximates a blended federal and state tax rate for fiscal 2018, and consistently excludes the impact of other tax credits and incentive benefits realized.

f Reflects the provisional income tax benefit associated with the re-measurement of the Company's deferred tax assets and liabilities as a result of the Tax Cuts and Jobs Act.

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

h 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.

i 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.



# FINANCIAL AND OPERATIONAL HIGHLIGHTS

## ADDITIONAL OPERATING DATA (a)

\$ in millions except where otherwise noted	FY2016				FY2017				FY2018			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
	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	3/31/2018
<b>Backlog</b>												
Funded	\$ 2,388	\$ 3,243	\$ 2,693	\$ 2,673	\$ 2,639	\$ 3,332	\$ 2,787	\$ 2,815	\$ 2,517	\$ 3,590	\$ 2,893	\$ 2,685
Unfunded	2,493	2,906	2,825	2,546	2,873	3,297	3,229	3,098	3,243	3,861	4,220	4,161
Priced Options	4,377	6,401	6,556	6,595	6,504	7,015	7,511	7,679	8,309	9,234	9,558	9,174
Total Backlog	\$ 9,258	\$ 12,550	\$ 12,074	\$ 11,814	\$ 12,016	\$ 13,644	\$ 13,527	\$ 13,592	\$ 14,069	\$ 16,685	\$ 16,671	\$ 16,020
<b>Book to Bill <sup>(b)</sup></b>	0.92	3.49	0.64	0.82	1.14	2.17	0.92	1.04	1.32	2.70	0.99	0.60
<b>Annual Book to Bill <sup>(b)</sup></b>				1.45				1.31				1.39
<b>Headcount</b>												
Total Headcount	22,544	22,226	22,604	22,583	22,524	22,758	23,044	23,300	23,454	24,225	24,747	24,639
Consulting Staff Headcount	20,325	20,006	20,345	20,329	20,249	20,542	20,818	21,032	21,081	21,825	22,261	22,145
<b>Percentage of Total Revenue by Contract Type</b>												
Cost-Reimbursable	55 %	50 %	49 %	50 %	49 %	50 %	49 %	51 %	50 %	52 %	51 %	52 %
Time-and-Materials	24 %	26 %	27 %	26 %	27 %	27 %	26 %	24 %	26 %	25 %	25 %	25 %
Fixed-Price	21 %	24 %	24 %	24 %	24 %	23 %	25 %	25 %	24 %	23 %	24 %	23 %
Days Sales Outstanding (Days)	61	62	62	60	65	62	64	60	69	65	68	65

a All interim periods reflect unaudited numbers while annual numbers are audited.

b Calculated as the change in total backlog during the relevant fiscal period plus the relevant fiscal period revenue, all divided by the relevant fiscal period revenue.

# FINANCIAL AND OPERATIONAL HIGHLIGHTS

## OTHER KEY FINANCIAL METRICS (a)

	FY2016				FY2017				FY2018			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
	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	3/31/2018
<i>\$ in thousands, except per share amounts</i>												
Cash and Cash Equivalents	\$ 151,476	\$ 187,401	\$ 167,104	\$ 187,529	\$ 179,974	\$ 307,223	\$ 349,624	\$ 217,417	\$ 337,487	\$ 330,043	\$ 289,495	\$ 286,958
Working Capital	312,538	359,422	340,706	249,858	314,865	381,666	437,761	193,079	561,709	479,770	469,348	452,553
Total Assets	2,853,179	2,874,625	2,966,508	3,010,171	3,041,680	3,093,619	3,166,535	3,373,105	3,575,525	3,529,635	3,539,296	3,603,366
Total Debt	1,616,738	1,601,969	1,587,201	1,597,261	1,608,319	1,563,117	1,563,990	1,663,324	1,861,805	1,847,047	1,832,315	1,818,579
Total Liabilities	2,645,525	2,605,641	2,585,751	2,601,683	2,579,406	2,577,282	2,596,822	2,799,514	2,976,498	2,993,352	2,975,018	3,048,738
Stockholders' Equity	207,654	268,984	380,757	408,488	462,274	516,337	569,713	573,591	599,027	536,283	564,278	554,628
Net Cash Provided by Operating Activities <sup>(b)</sup>	\$ 19,096	\$ 88,687	\$ 180,997	\$ 249,234	\$ 11,647	\$ 217,083	\$ 283,042	\$ 382,277	\$ 3,995	\$ 178,062	\$ 246,920	\$ 369,143
Net Cash Used in Investing Activities <sup>(b)</sup>	(13,140)	(30,562)	(96,447)	(117,753)	(7,022)	(15,344)	(30,755)	(300,896)	(11,740)	(37,193)	(81,370)	(96,453)
Net Cash Provided by (Used in) Financing Activities <sup>(b)</sup>	(61,697)	(77,941)	(124,663)	(151,169)	(12,180)	(82,045)	(90,192)	(51,493)	127,815	(28,243)	(93,472)	(203,149)

a All interim periods reflect unaudited numbers while annual numbers are audited.

b Cash flow numbers are on a year-to-date basis for all periods presented.