

FISCAL YEAR 2019

Investor Presentation

MAY 2019

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, free cash flow, 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, 2019, 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 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 under “Fiscal 2020 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 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. For the same reason, a reconciliation of Adjusted EBITDA Margin on Revenue guidance to the closest corresponding GAAP measure is not available without unreasonable efforts on a forward-looking basis due to our inability to predict specific quantifications of the amounts that would be required to reconcile such measures.

All quarterly financial information for the fiscal year ended March 31, 2017 presented herein is as previously reported under ASC 605 while the annual financial information for the fiscal year ended March 31, 2017 was retroactively recast for the effects of ASC 606 and ASU 2017-07, as required. Unless otherwise specified, all references to “record” results are with respect to the period since Booz Allen’s initial public offering.

WHY INVEST IN BOOZ ALLEN HAMILTON

INVESTMENT THESIS



UNIQUE MARKET POSITION

- + Investments in innovation, talent, and capabilities position us to help clients adopt current and new technologies
- + First mover advantage enhanced by our ability to combine mission knowledge, consulting heritage and technical depth, creating value for critical missions and top priorities



STRONG FINANCIAL RETURNS

FY2018 - FY2021

66% ADEPS GROWTH BY FY21
+ ~2% Dividend Yield

6-9%

Annual Revenue Growth

Low 10% Range

Adj. EBITDA Margins

~\$1.4B

Capital Deployment



OPTION VALUE

- + Continued investment in new business lines and solutions that will drive future growth

YEAR ONE

66% ADEPS GROWTH BY FY21
+ ~2% Dividend Yield

8.7%

Annual Revenue Growth

60 bps

Adj. EBITDA Margins

\$364M

Capital Deployment

BOOZ ALLEN'S LEADERSHIP TEAM

OUR PURPOSE, AS A FIRM, IS TO EMPOWER PEOPLE TO CHANGE THE WORLD



Horacio D. Rozanski
President and CEO



Lloyd W. Howell, Jr.
CFO and Treasurer



Nancy J. Laben
Chief Legal Officer



Joseph W. Mahaffee
Chief Administrative Officer



Angela M. Messer
Chief Transformation Officer



Elizabeth M. Thompson
Chief People Officer



Kristine Martin Anderson
Civilian Services Group Lead



Karen M. Dahut
Global Defense Group Lead



Gary D. Labovich
Management Systems Modernization Lead



Christopher Ling
National Security Group Lead



Susan L. Penfield
Chief Innovation Officer and Strategic Innovation Group Lead



Our employees work at
**500+ LOCATIONS IN
25+ COUNTRIES**



~26,100
Number of employees⁽¹⁾



~29%⁽¹⁾ are Veterans
~66%⁽¹⁾ of staff with security clearances



~85% hold bachelor's degrees
~40% hold master's degrees
~3% hold doctoral degrees⁽¹⁾

1) As of 3/31/2019

AN INDUSTRY LEADER

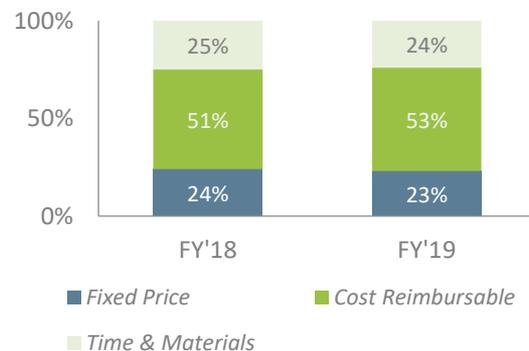
BOOZ ALLEN CONTINUES ITS 100+ YEAR HISTORY AS AN INDUSTRY LEADER

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

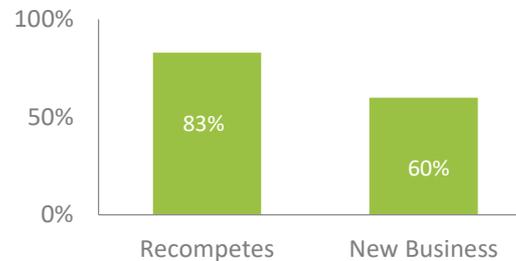
KEY HIGHLIGHTS

- + Founded in 1914 (100+ year history)
- + Headquartered in McLean, VA (close to core clients)
- + November 2010 IPO (NYSE listed under ticker BAH)
- + Single P&L (drives collaboration across leadership)
- + \$6.7B in FY'19 Revenue
- + \$419M in FY'19 Net Income (6.2% margin)
- + \$675M in FY'19 Adj. EBITDA (10.1% margin)
- + Pure-play services provider (96% U.S. Gov't) ⁽¹⁾
- + Diversification insulates P&L (~4,700 total contracts & task orders) ⁽¹⁾

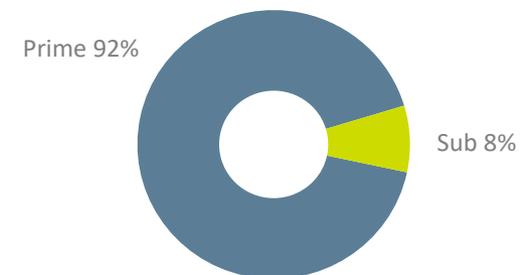
CONTRACT MIX



WIN RATE ⁽¹⁾



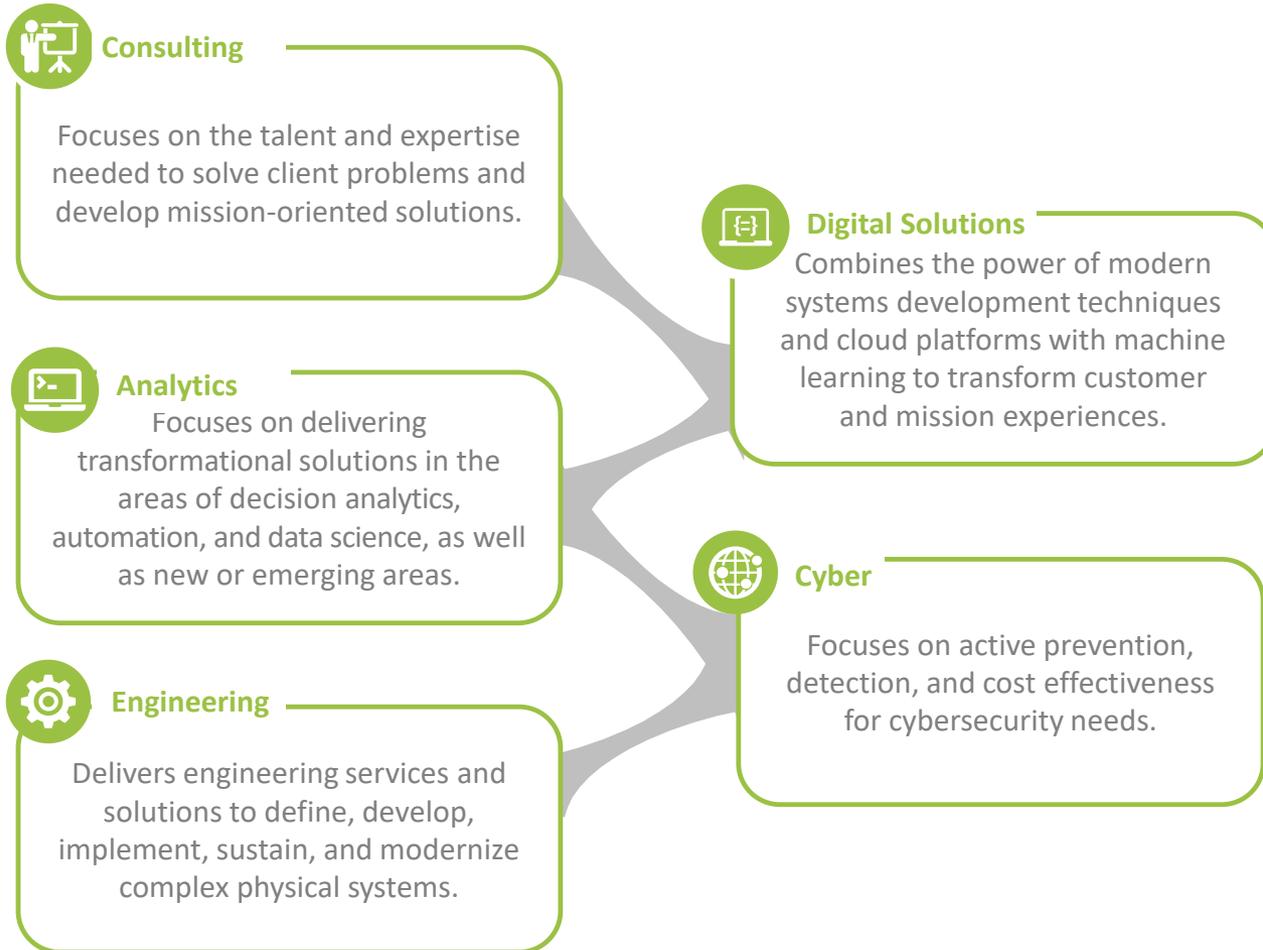
FY'19 PRIME / SUB



1) Contract information includes contracts and task orders and is based on FY'19 results

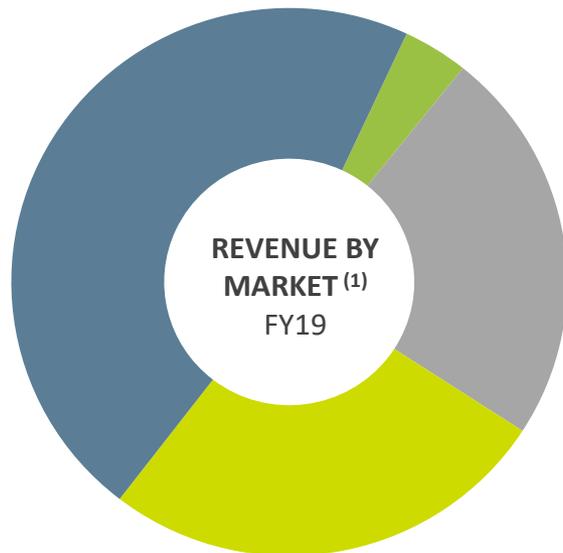
COMPREHENSIVE SUITE OF SERVICE OFFERINGS

STRATEGICALLY ALIGNED WITH CUSTOMER'S CURRENT AND FUTURE PRIORITIES



BROAD CUSTOMER BASE

SPANNING THE U.S. GOVERNMENT, INTERNATIONAL AND COMMERCIAL CLIENTS



● DEFENSE (47%)

- Air Force
- Army
- Joint Combatant Commands
- Navy/Marine Corps

● CIVIL (26%)

- Homeland Security
- Health & Human Services
- Veterans Affairs
- Treasury
- Justice

● GLOBAL / COMMERCIAL (4%)

- **Commercial:** Financial Services, Health and Life Sciences, Energy, Transportation
- **International:** Middle East, North Africa Region, and Select Asian Markets

● INTEL (23%)

- **U.S. Intelligence Agencies:** National Security Agency, National Geospatial-Intelligence Agency, National Reconnaissance Office
- **Military Intelligence Agencies:** Defense Intelligence Agency, Service Intelligence Centers, Intelligence Surveillance Reconnaissance Units

1) Client listing includes significant clients based on revenue, but the lists are not all inclusive

VISION 2020 GROWTH STRATEGY

CURRENTLY IN ITS SIXTH YEAR OF IMPLEMENTATION, WE'RE IN THE "PAYOFF PERIOD"

KEY ELEMENTS OF VISION 2020

- + 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

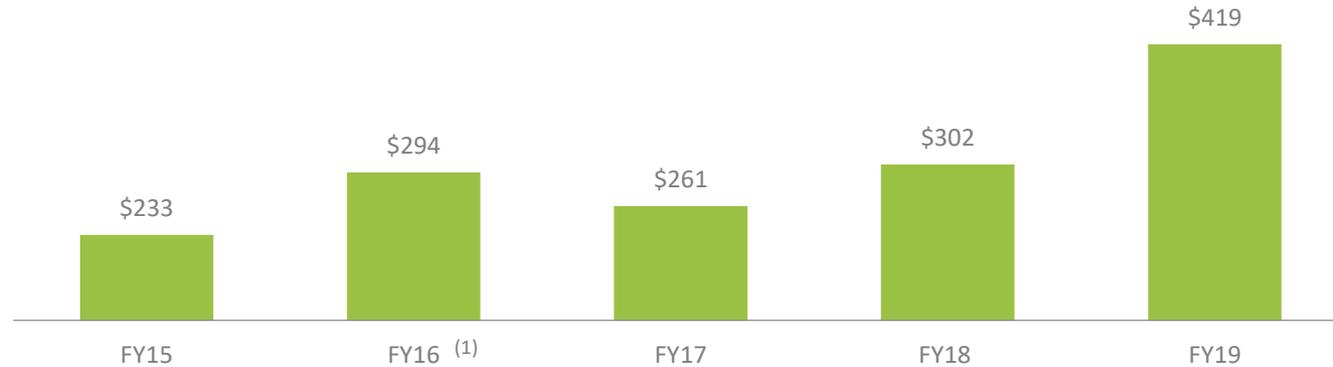
IMPACT ON PERFORMANCE – "PAYOFF"

- + **Insulated operating performance** through budget / economic cycles
- + **Higher barriers to entry**; supports margin
- + Superior technical execution; **stable hiring / retention drives backlog conversion**
- + Innovation a key component of investment thesis; **option value to enhance growth**
- + **Partnerships to synthesize innovation** and create solutions (i.e. Dell / District Defend)
- + **Mix shift drives higher growth and margin**; to eventually pivot mature commercial solutions to government end markets

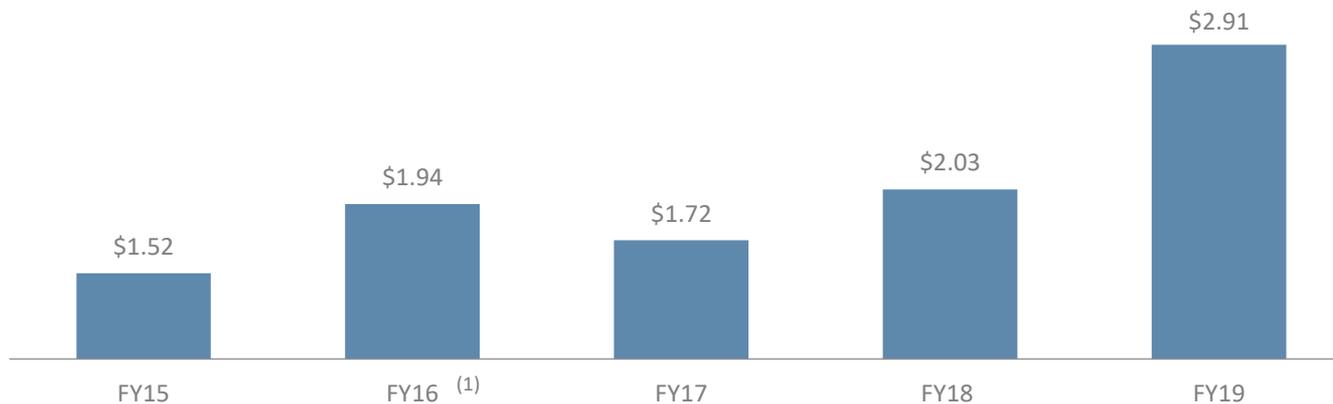
VISION 2020 RESULTS

BOOZ ALLEN ANTICIPATES OUR STRONG FINANCIAL PERFORMANCE WILL CONTINUE

NET INCOME (IN MILLIONS) GROWTH...



... DRIVES STRONG DILUTED EARNINGS PER SHARE

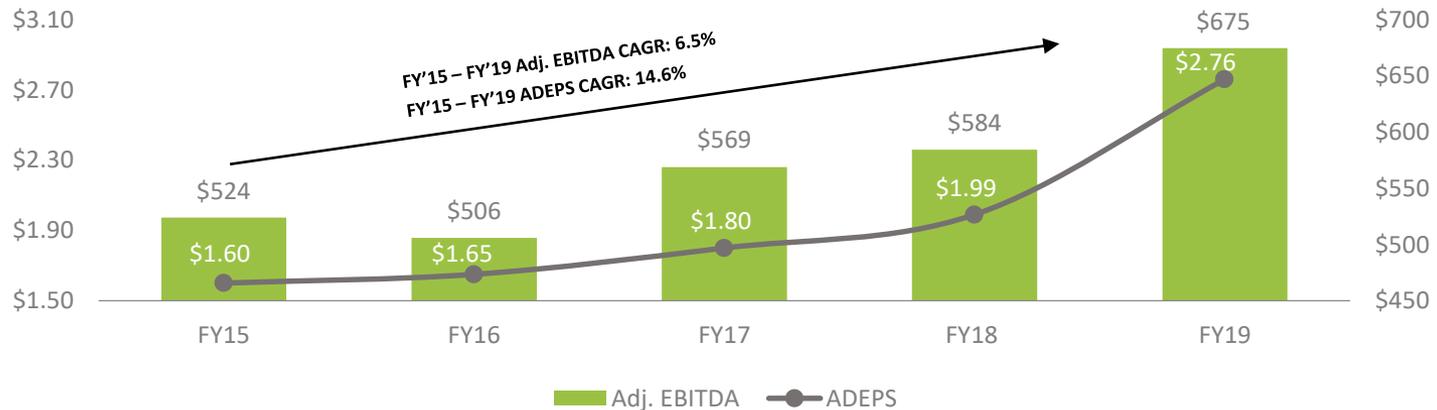


¹ 2016 Net Income benefited from one time release of pre-acquisition income tax reserves assumed by the Company in connection with the acquisition of our Company by The Carlyle Group

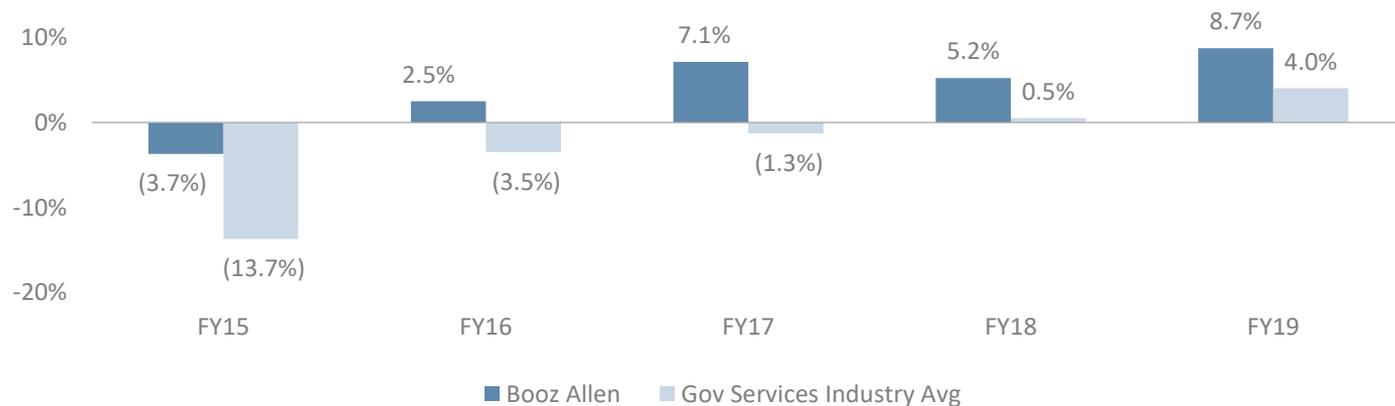
STRONG EARNINGS GROWTH

DERIVATIVE OF ROBUST, ABOVE-MARKET ORGANIC REVENUE GROWTH

ACCELERATING ADJUSTED EBITDA (IN MILLIONS), ADEPS GROWTH



ORGANIC REVENUE GROWTH CONSISTENTLY ABOVE MARKET (1), (2), (3)



1) Gov Services Industry includes Leidos, SAIC, ManTech, CACI, and Engility (through Q3 FY18)

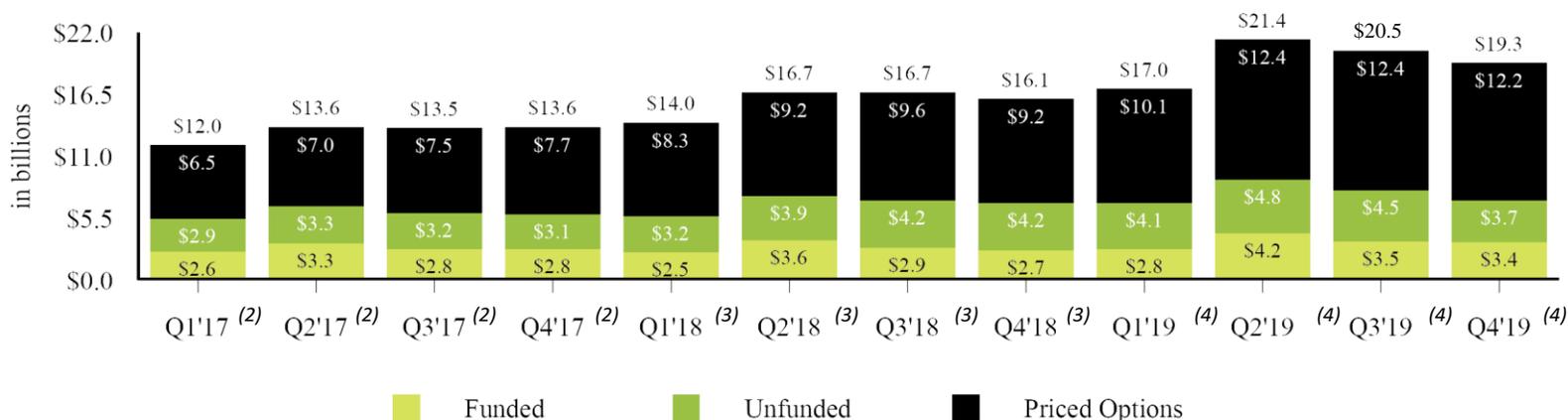
2) Organic growth reflects disclosed commentary (through SEC filing, presentation, or transcript) around organic growth performance

3) Source: Company presentations, SEC filings, and earnings transcripts

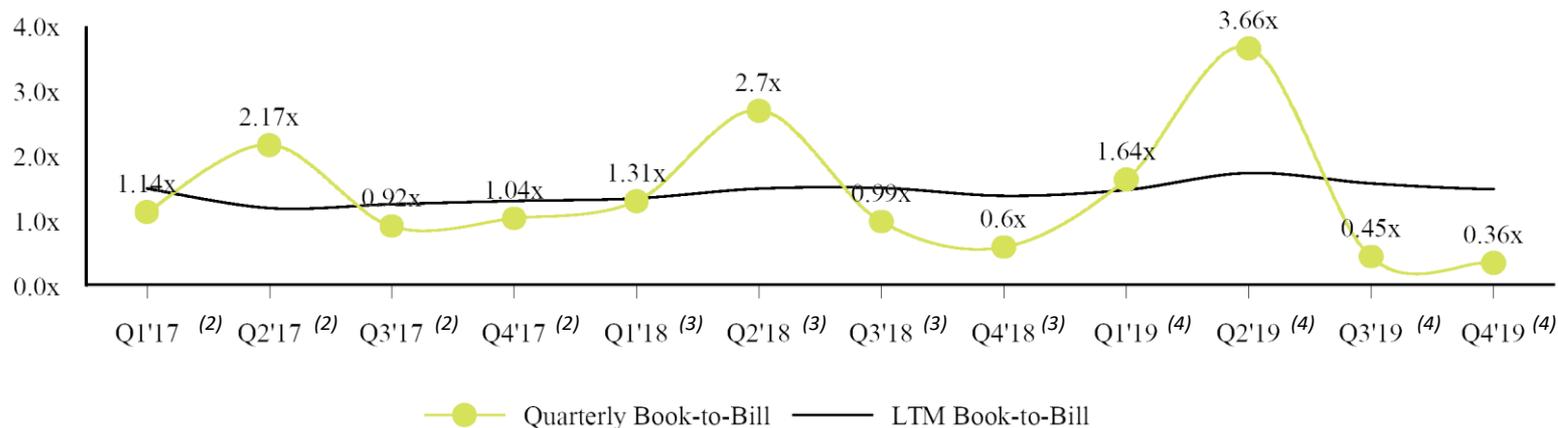
HISTORICAL BACKLOG & BOOK-TO-BILL

BACKLOG AND ANNUAL BOOK-TO-BILL POSITION FIRM WELL FOR FUTURE GROWTH

BACKLOG ⁽¹⁾



BOOK-TO-BILL TRENDS - HIGHEST FISCAL YEAR



1) For more information on the components of backlog, and the differences between backlog and remaining performance obligations, please see the Company's Form 10-K for the fiscal year ending 3/31/19

2) Revenue as reported under ASC 605

3) Revenue as adjusted from previously reported to reflect ASC 606 and ASU 2017-07

4) Revenue as reported, reflecting ASC 606 and ASU 2017-07

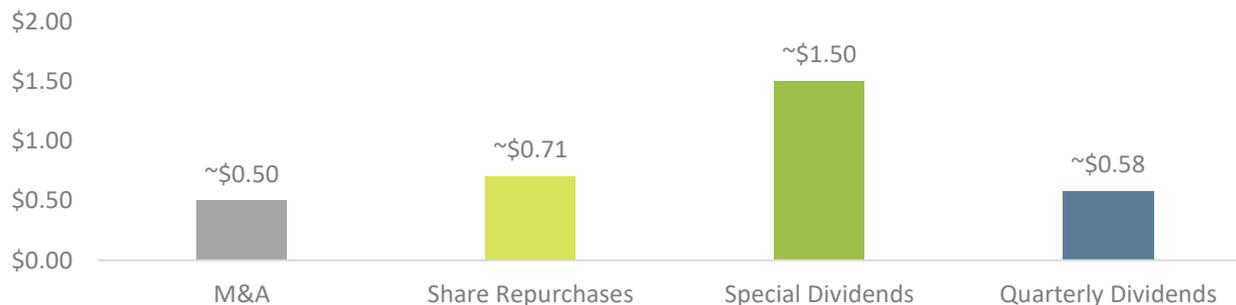
DELIVERING SHAREHOLDER VALUE

POST-RECESSION, BOOZ ALLEN HAS ESTABLISHED A TRACK RECORD OF DEPLOYING CAPITAL

CAPITAL DEPLOYED AND TSR PERFORMANCE SINCE IPO : 701%⁽¹⁾



CAPITAL DEPLOYED SINCE IPO⁽¹⁾: ~\$3.3B (\$B)



1) TSR as of 4/30/2019 and assumes dividend reinvested – Capital Deployed as of 3/31/2019

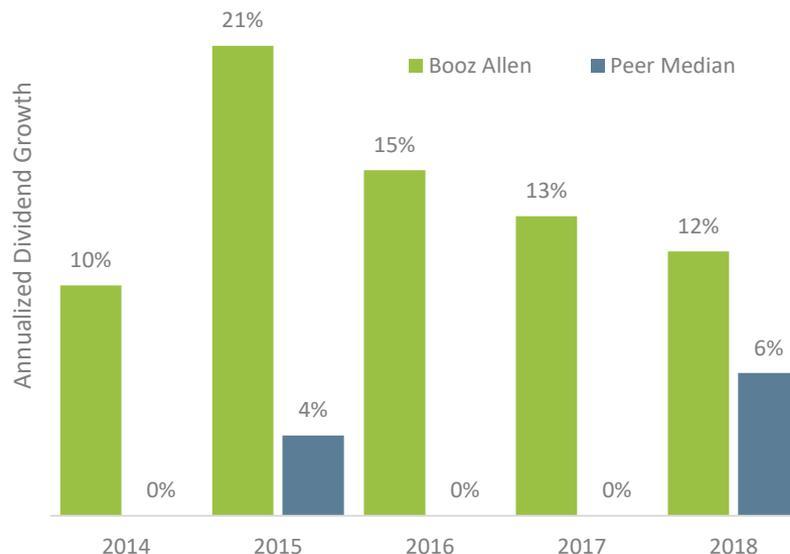
QUARTERLY DIVIDEND

BOOZ ALLEN HAS AND WILL CONTINUE TO MAKE OUR QUARTERLY DIVIDEND A FOCUS OF OUR INVESTMENT THESIS

BOOZ ALLEN QUARTERLY DIVIDEND

- + Industry leader in quarterly dividend growth, increasing our quarterly dividend \$0.02 annually each of the last four years
- + In FY'19 however, we increased our quarterly dividend \$0.04 per share (vs. prior increases of \$0.02 per share) due to:
 - > The fundamental strength in our business and sector
 - > Confidence in our earnings and cash flow generation going forward
- + Since our IPO, our commitment to growth is unmatched in the pure-play government services sector
- + The increase is meant to show:
 - > Commitment to our investment thesis (~2% yield)
 - > Our desire to continue our track record of industry leading growth (avoid atrophy in growth rate)

HISTORICAL QUARTERLY DIVIDEND GROWTH RATE⁽¹⁾⁽²⁾



1

Quarterly dividend initiated in 2012

2

Proven Annual Dividend Growth Since 2013



Investment Thesis:
~2% Dividend Yield

1) Calendar Year Annualized Dividend Growth Rate
2) Peers include: CACI, SAIC, LDOS, MANT, PRSP

FISCAL YEAR 2019 PERFORMANCE

KEY FINANCIAL RESULTS

FISCAL YEAR 2019 RESULTS

	FOURTH QUARTER ⁽¹⁾		FISCAL YEAR 2019 ⁽¹⁾	
Revenue	\$1.8 billion	9.1% Increase	\$6.7 billion	8.7% Increase
Revenue, Excluding Billable Expenses	\$1.2 billion	8.1% Increase	\$4.7 billion	9.1% Increase
Adjusted EBITDA	\$153 million	3.4% Increase	\$675 million	15.4% Increase
Adjusted EBITDA Margin on Revenue	8.6%	(5.3)% Decrease	10.1%	6.1% Increase
Net Income	\$90 million	8.6% Increase	\$419 million	38.7% Increase
Adjusted Net Income	\$90 million	21.9% Increase	\$395 million	34.2% Increase
Diluted EPS	\$0.63	12.5% Increase	\$2.91	43.4% Increase
Adjusted Diluted EPS	\$0.64	25.5% Increase	\$2.76	38.7% Increase
Net Cash Provided by Operating Activities	\$216 million	77.1% Increase	\$500 million	35.3% Increase

(1) Comparisons are to prior fiscal year periods

FY'19 PERFORMANCE:

ALIGNED WITH INVESTMENT THESIS

UPDATED INVESTMENT THESIS



Unique Market Position

- Investments in innovation, talent, and capabilities position us to help clients adopt current and new technologies
- First mover advantage enhanced by our ability to combine mission knowledge, consulting heritage and technical depth creating value for critical missions and top priorities



Strong Financial Returns

FY'18 - FY'21

66% ADEPS GROWTH BY FY'21 ¹

+ ~2% DIVIDEND YIELD

6 - 9%

Annual Revenue
Growth

**Low 10%
Range**

Adj. EBITDA
Margins ¹

~\$1.4B

Capital
Deployment



Option Value

- Continued investment in new business lines and solutions that will drive future growth

INDUSTRY LEADING ORGANIC REVENUE GROWTH

- Organic growth in revenue ex-billables of ~9% year-over-year driven by continued strong client demand

CONTRACT PERFORMANCE DRIVES MARGIN EXPANSION

- ~6% year-over-year headcount growth; poised to execute on largest fiscal-year book-to-bill since IPO
- Adj. EBITDA margin on revenue of 10.1%; record Adj. EBITDA of \$675M (~15% growth year-over-year)
- Organic growth and strong contract-level execution continue to drive profitability
- FY'20 guidance of Adj. EBITDA margin in the low 10% range

PRUDENT CAPITAL DEPLOYMENT

- \$78 million in Q4 share repurchases; \$250 million through March 31, 2019
- \$32 million in Q4 quarterly dividends; \$114 million through March 31, 2019
- Reaffirming three-year goal to deploy ~\$1.4B; achieved goal to deploy >\$350M during FY'19

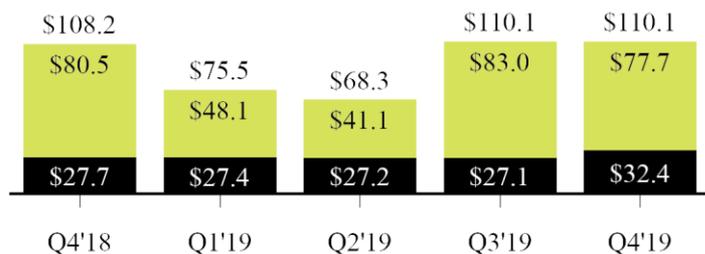
1) ADEPS and Adjusted EBITDA Margin goals have been updated to reflect our performance one year into our Investment Thesis

CAPITAL ALLOCATION

DELIVERING STRONG CAPITAL RETURNS THROUGH EFFICIENT CAPITAL DEPLOYMENT STRATEGY

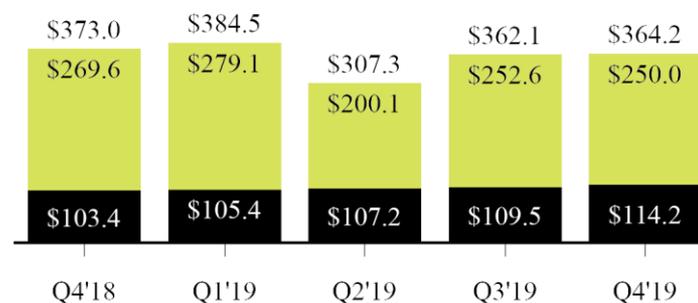
- Achieved our target of deploying >\$350M during FY'19; multi-year capital deployment plan remains on track, subject to market conditions
 - Deployed ~\$364M during FY'19, including ~\$110M during the fourth quarter
 - Aim to deploy ~\$1.0B on over the next two fiscal years, aligning with our overall three-year goal of \$1.4B
- In May, our Board approved a \$400M increase in our share repurchase authorization bringing our remaining capacity to ~\$658M
- Ample cash on hand and balance sheet capacity to support our capital deployment objectives
- The Board authorized a regular dividend of 23 cents per share, payable on June 28th to stockholders of record on June 14th

QUARTERLY CAPITAL DEPLOYMENT (\$ IN MILLIONS)



■ Quarterly Dividends ■ Share Repurchases

LTM CAPITAL DEPLOYMENT (\$ IN MILLIONS)



■ Quarterly Dividends ■ Share Repurchases

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 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 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

(In thousands, except share and per share data)	Three Months Ended March 31,		Fiscal Year Ended March 31,	
	2019	2018	2019	2018
	(Unaudited)		(Unaudited)	
Revenue, Excluding Billable Expenses				
Revenue	\$ 1,780,080	\$ 1,631,076	\$ 6,704,037	\$ 6,167,600
Billable expenses	538,833	483,077	2,004,664	1,861,312
Revenue, Excluding Billable Expenses	\$ 1,241,247	\$ 1,147,999	\$ 4,699,373	\$ 4,306,288
Adjusted Operating Income				
Operating Income	\$ 135,099	\$ 131,696	\$ 602,394	\$ 519,723
Transaction expenses (a)	—	—	3,660	—
Adjusted Operating Income	\$ 135,099	\$ 131,696	\$ 606,054	\$ 519,723
EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin on Revenue & Adjusted EBITDA Margin on Revenue, Excluding Billable Expenses				
Net income	\$ 89,575	\$ 82,506	\$ 418,529	\$ 301,692
Income tax expense	28,305	23,661	96,874	128,344
Interest and other, net (b)	17,219	25,529	86,991	89,687
Depreciation and amortization	18,216	16,560	68,575	64,756
EBITDA	153,315	148,256	670,969	584,479
Transaction expenses (a)	—	—	3,660	—
Adjusted EBITDA	\$ 153,315	\$ 148,256	\$ 674,629	\$ 584,479
Adjusted EBITDA Margin on Revenue	8.6%	9.1%	10.1%	9.5%
Adjusted EBITDA Margin on Revenue, Excluding Billable Expenses	12.4%	12.9%	14.4%	13.6%
Adjusted Net Income				
Net income	\$ 89,575	\$ 82,506	\$ 418,529	\$ 301,692
Transaction expenses (a)	—	—	3,660	—
Release of income tax reserves (c)	—	—	(462)	—
Re-measurement of deferred tax assets/liabilities (d)	—	(9,107)	(27,908)	(9,107)
Amortization or write-off of debt issuance costs and write-off of original issue discount	519	662	2,920	2,655
Adjustments for tax effect (e)	(135)	(242)	(1,711)	(969)
Adjusted Net Income	\$ 89,959	\$ 73,819	\$ 395,028	\$ 294,271
Adjusted Diluted Earnings Per Share				
Weighted-average number of diluted shares outstanding	141,050,704	145,577,134	143,156,176	147,750,022
Adjusted Net Income Per Diluted Share (f)	\$ 0.64	\$ 0.51	\$ 2.76	\$ 1.99
Free Cash Flow				
Net cash provided by operating activities	\$ 216,407	\$ 122,223	\$ 499,610	\$ 369,143
Less: Purchases of property and equipment	(36,605)	(15,370)	(94,681)	(78,437)
Free Cash Flow	\$ 179,802	\$ 106,853	\$ 404,929	\$ 290,706

(a) Reflects debt refinancing costs incurred in connection with the refinancing transaction consummated on July 23, 2018.

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

(c) Release of pre-acquisition income tax reserves assumed by the Company in connection with the Carlyle Acquisition.

(d) Reflects primarily the adjustments made to 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, including a measurement period adjustment associated with the unbilled receivables method change approved by the IRS in the third quarter of fiscal 2019.

(e) With the enactment of the 2017 Tax Act, fiscal 2018 and fiscal 2019 adjustments are reflected using assumed effective tax rates of 36.5% and 26%, which approximate the blended federal and state tax rates for fiscal 2018 and 2019, respectively, and consistently exclude the impact of other tax credits and incentive benefits realized.

(f) Excludes an adjustment of approximately \$0.4 million and \$1.8 million of net earnings for the three and twelve months ended March 31, 2019, respectively, and excludes an adjustment of approximately \$0.4 million and \$1.9 million of net earnings for the three and twelve months ended March 31, 2018, respectively, associated with the application of the two-class method for computing diluted earnings per share.

NON-GAAP FINANCIAL INFORMATION

\$ in thousands, except for shares and per share data

Revenue, Excluding Billable Expenses

	FY2015	FY2016	FY2017
Revenue	\$ 5,274,770	\$ 5,405,738	\$ 5,809,491
Billable Expenses	1,406,527	1,513,083	1,751,077
Revenue, Excluding Billable Expenses	\$ 3,868,243	\$ 3,892,655	\$ 4,058,414

EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin on Revenue

Net income	\$ 232,569	\$ 294,094	\$ 260,825
Income tax expense	153,349	85,368	164,832
Interest and other, net ^(b)	72,904	65,122	80,357
Depreciation and amortization	62,660	61,536	59,544
EBITDA	521,482	506,120	565,558
Transaction expenses ^(d)	2,039	—	3,354
Adjusted EBITDA	\$ 523,521	\$ 506,120	\$ 568,912
Adjusted EBITDA Margin on Revenue (%)	9.9 %	9.4 %	9.8 %

Adjusted Net Income

Net income	\$ 232,569	\$ 294,094	\$ 260,825
Transaction expenses ^(d)	2,039	—	3,354
Amortization of intangible assets ^(c)	4,225	4,225	4,225
Amortization or write-off of debt issuance costs and write-off of original issue discount	6,545	5,201	8,866
Release of income tax reserves ^(e)	—	(53,301)	—
Adjustments for tax effect ^(f)	(5,124)	(3,770)	(6,578)
Adjusted Net Income	\$ 240,254	\$ 246,449	\$ 270,692

Adjusted Diluted Earnings per Share

Weighted-average number of diluted shares outstanding	150,375,531	149,719,137	150,274,640
Adjusted Net Income per Diluted Share ^(g)	\$ 1.60	\$ 1.65	\$ 1.80

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

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

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

d Fiscal 2015 reflects debt refinancing costs associated with the refinancing transaction consummated on May 7, 2014. Fiscal 2017 reflects debt refinancing costs associated with the refinancing transaction consummated on July 13, 2016.

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 tax effect of adjustments at an assumed effective tax rate of 40%.

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

FINANCIAL RESULTS – KEY DRIVERS

Fourth Quarter Fiscal 2019 – Below is a summary of the key factors driving results for the fiscal 2019 fourth quarter ended March 31, 2019 as compared to the prior year period:

- Revenue increased by 9.1% to \$1.8 billion driven primarily by continued strength in client demand, which led to increased client staff headcount and an increase in direct client staff labor, as well as improved contract performance. Revenue growth was also driven by an increase in billable expenses, including subcontractors and direct expenses incurred on behalf of our clients.
- Revenue, Excluding Billable Expenses increased 8.1% to \$1.2 billion due to increased client demand which led to increased client staff headcount, an increase in direct client staff labor, and improved contract performance.
- Operating Income and Adjusted Operating Income both increased 2.6% to \$135.1 million. Increases in both were primarily driven by the same factors driving revenue growth.
- Net income increased 8.6% to \$89.6 million and Adjusted Net Income increased 21.9% to \$90.0 million. These increases were primarily driven by the same factors as Operating Income and Adjusted Operating Income. Net income and Adjusted Net Income also benefited from the Company's recognition of an income tax benefit driven by the lower federal corporate tax rate.
- EBITDA and Adjusted EBITDA both increased 3.4% to \$153.3 million. These increases were due to the same factors as Operating Income and Adjusted Operating Income.
- Diluted EPS increased to \$0.63 from \$0.56 and Adjusted Diluted EPS increased to \$0.64 from \$0.51. The increases were primarily driven by the same factors as Net Income and Adjusted Net Income, as well as a lower share count in the fourth quarter of fiscal 2019.
- As of March 31, 2019, total backlog was \$19.3 billion, an increase of 20.6%. Funded backlog was \$3.4 billion, an increase of 28.0%.

FINANCIAL RESULTS – KEY DRIVERS

Fiscal Year Ended March 31, 2019 – Booz Allen's cumulative performance for fiscal 2019 has resulted in:

- Net cash proved by operating activities was \$499.6 million for the year ended March 31, 2019 as compared to \$369.1 million in the prior year period. The improvement in operating cash flow over the prior year was primarily due to revenue growth and lower cash paid for taxes in fiscal 2019 as compared to fiscal 2018. Free Cash Flow was \$404.9 million for the year ended March 31, 2019 as compared to \$290.7 million for the year ended March 31, 2018. Free Cash Flow was affected by the same factors affecting cash provided by operating activities, partially offset by an increase in capital expenditures over the prior year primarily related to investments in our facilities and infrastructure, financial management systems and information technology.

SHAREHOLDER AND STOCK INFORMATION

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