

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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): February 1, 2023 (February 1, 2023)

Booz Allen Hamilton Holding Corporation

(Exact name of Registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-34972
(Commission
File Number)

26-2634160
(IRS Employer
Identification No.)

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

22102
(Zip Code)

Registrant's telephone number, including area code: (703) 902-5000

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the Registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Title of Each Class
Class A Common Stock

Trading Symbol
BAH

Name of Each Exchange on Which Registered
New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 7.01 Regulation FD Disclosure.

Booz Allen Hamilton Holding Corporation (the "Company") expects to present the attached materials to certain investors on or after February 1, 2023. The materials may be used by the Company in various other presentations to investors. A copy of the materials is attached as Exhibit 99.1 to this Current Report on Form 8-K.

The information in this Item 7.01 and Exhibit 99.1 shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liability of that section, and shall not be incorporated by reference into any registration statement or other document filed under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in any such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Description
99.1	Investor Presentation
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Booz Allen Hamilton Holding Corporation

BY: /s/ Matthew A. Calderone

Matthew A. Calderone

Executive Vice President and Chief Financial Officer

Date: February 1, 2023

Investor Presentation Deck

February 2023

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, Adjusted EBITDA, 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.

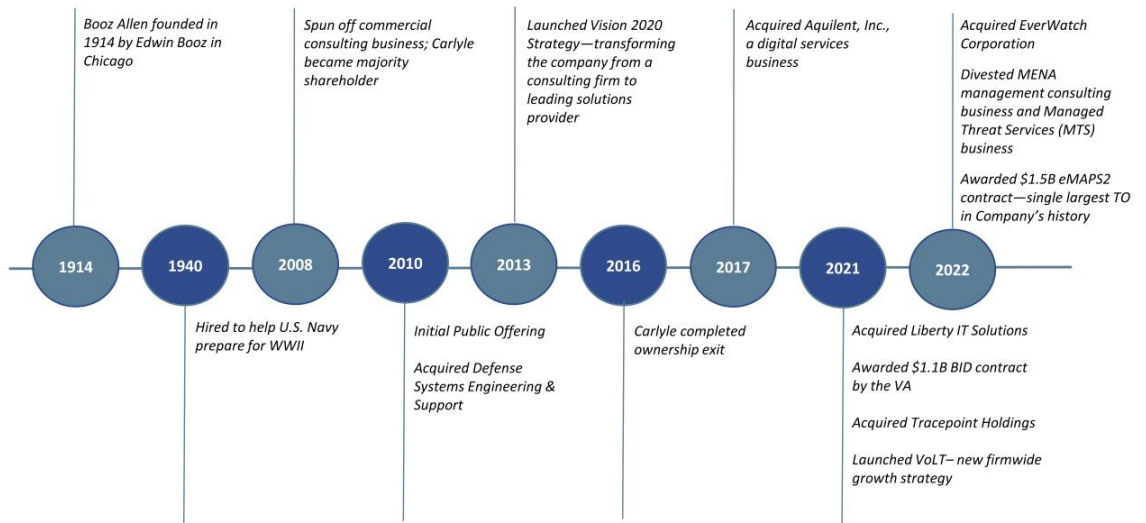
These forward-looking statements relate to future events or our future financial performance and involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to differ materially from any future results, levels of 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, 2022, 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 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, Free Cash Flow, and Free Cash Flow Conversion, which are not recognized measurements under accounting principles generally accepted in the United States, or 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 attributable to common stockholders to Adjusted EBITDA, Adjusted EBITDA Margin on Revenue, Adjusted EBITDA Margin on Revenue, Excluding Billable Expenses, Adjusted Net Income and Adjusted Diluted EPS, and net cash used in operating activities to Free Cash Flow and Free Cash Flow Conversion, 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 attributable to common stockholders or diluted EPS as measures of operating results, each as defined under GAAP, and (iii) use Free Cash Flow, and Free Cash Flow Conversion, in addition to, and not as an alternative to, net cash used in operating activities as a measure of liquidity, each as defined under GAAP. The 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, Free Cash Flow, and Free Cash Flow Conversion 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 "Financial Outlook", "Fiscal Year 2023 Operating Cash Bridge" and "Fiscal Year 2023 ADEPS Bridge," reconciliation of Adjusted Diluted EPS guidance, Adjusted EBITDA, and Adjusted EBITDA Margin on Revenue 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 with respect to Adjusted Diluted EPS, and our net income, net interest and other expenses with respect to Adjusted EBITDA and Adjusted EBITDA Margin on Revenue, during the course of fiscal 2023. With respect to Adjusted Diluted EPS guidance, 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 and Adjusted EBITDA Margin on Revenue guidance for fiscal 2023 and 2025 and of Adjusted EBITDA guidance through fiscal 2025 to the closest corresponding GAAP measures are 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. Accordingly, Booz Allen is relying on the exception provided by Item 10(e)(1)(i)(B) of Regulation S-K to exclude these reconciliations.

COMPANY HISTORY

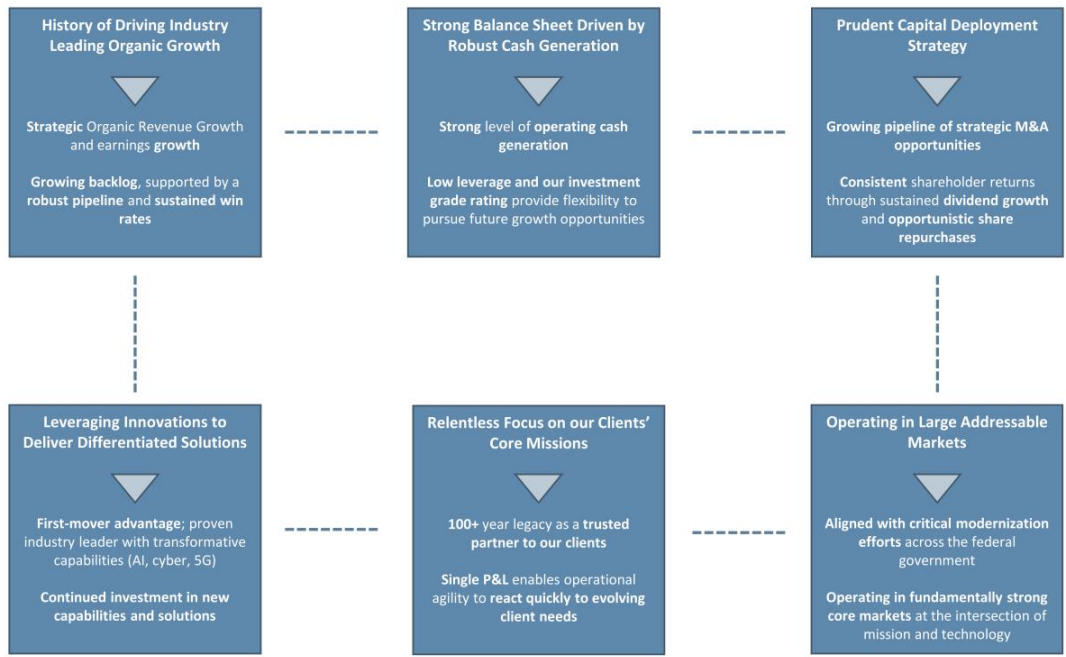
OUR HERITAGE IS AT THE CORE OF EVERYTHING WE DO



With over 100 years of industry leadership, Booz Allen is one of the most respected names in government contracting

WHY INVEST IN BOOZ ALLEN

BOOZ ALLEN HAS A 100+ YEAR HISTORY AS AN INDUSTRY LEADER



LEADING FROM THE TOP

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



Horacio D. Rozanski
President and Chief
Executive Officer



Matthew Calderone
Chief Financial Officer



Kristine Martin Anderson
Chief Operating Officer



Richard Crowe
President
Civil Sector



Judi Dotson
President
Global Defense Sector



Nancy Laben
Chief Legal Officer



Susan L. Penfield
Chief Technology Officer



Thomas Pfeifer
President
National Security Sector



Elizabeth M. Thompson
Chief People Officer



DIVERSITY MEASURES²

- 36% of global workforce identified as female, including 35% of senior management and 67% of executive leadership
- 32% of U.S. workforce identified as BIPOC, including 19% of senior management and 22% of executive leadership
- 32% of new employee hires globally identified as female and 38% of new employee hires in the U.S. identified as BIPOC
- 34% of employee departures globally identified as female and 36% of employee departures in the U.S. identified as BIPOC

CREDENTIALS²

- ~28% are Veterans
- ~67% have security clearances
- ~89% hold bachelor's degrees
- ~42% hold master's degrees
- ~4% hold doctoral degrees

(1) As reported in Booz Allen's Quarterly Report on Form 10-Q for the fiscal quarter ended December 31, 2022.

(2) As reported in Booz Allen's Annual Report on Form 10-K for the fiscal year ended March 31, 2022. Percentages listed are based on voluntary self-reporting.

VoLT: OUR GROWTH STRATEGY

WE WILL OPERATE WITH INCREASED SPEED, AGILITY AND SCALE IN A RAPIDLY CHANGING, HIGHLY COMPETITIVE AND INCREASINGLY TECHNICAL ENVIRONMENT

BUILDING BLOCKS OF VoLT

VELOCITY: GET THERE FIRST

Leverage our mission knowledge to get to the future at speed and scale



LEADERSHIP: TRANSFORM WITH CONVICTION

Redefine mission leadership to stand apart in this new era



TECHNOLOGY: DIFFERENTIATE TO WIN

Put technology at the heart of the client mission to define the next generation of impact

ACHIEVED BY

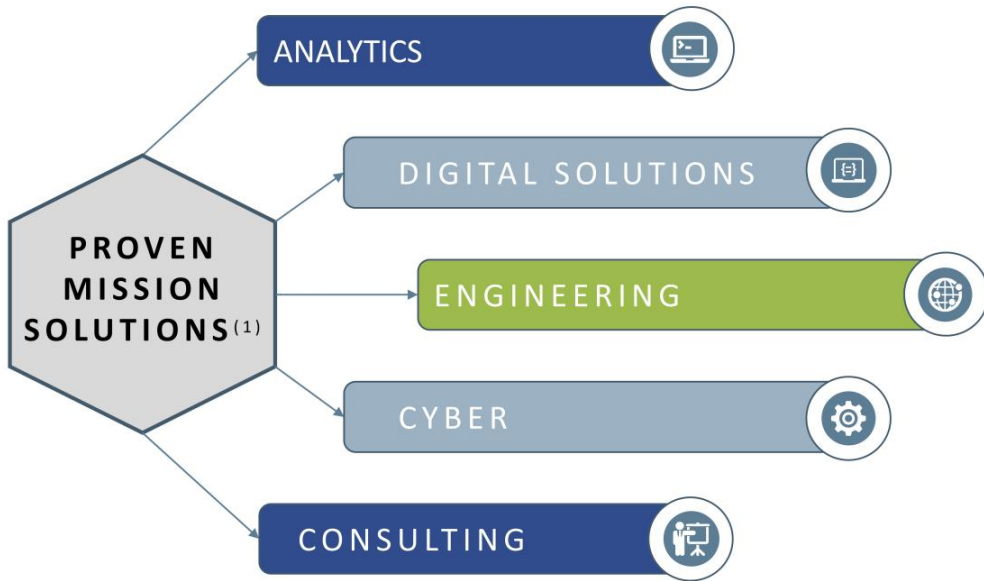
- *Doubling-down on innovation*
- *Using strategic M&A and partnerships to build market positions*
- *Making decisions closer to the needs of clients*

- *Identifying client needs ripe for hyper-growth*
- *Scaling businesses at the nexus of mission and technology*

- *Using mission insights to develop solutions*
- *Identifying, building and scaling next generation technology to transform mission*

ADVANCED SOLUTIONS & CAPABILITIES

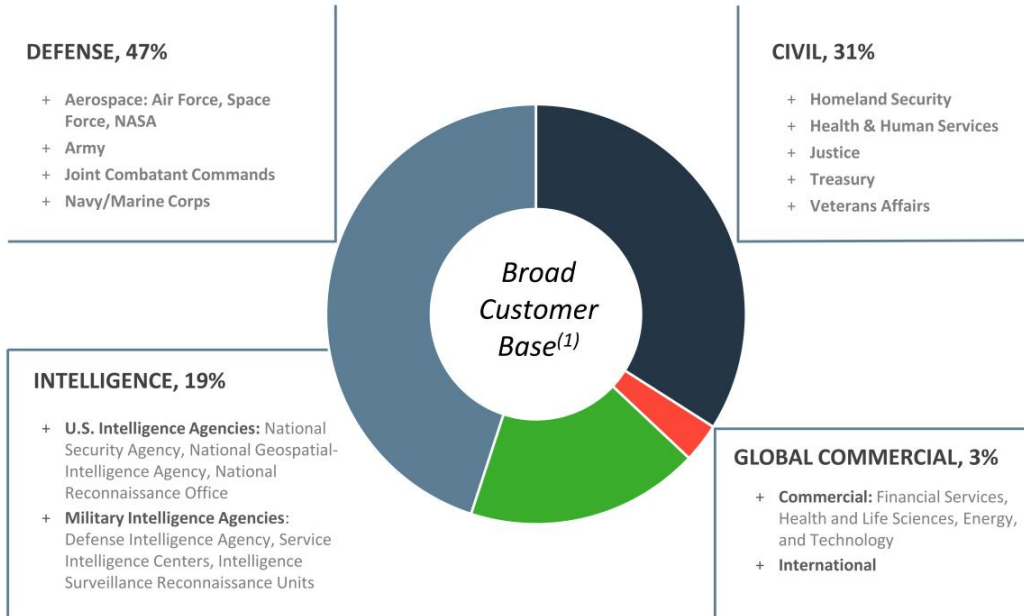
WE HAVE EXPANDED BEYOND OUR MANAGEMENT CONSULTING FOUNDATION TO DEVELOP DEEP EXPERTISE IN FIELDS THAT ADDRESS OUR CLIENTS' CORE MISSIONS



(1) For more information on our functional service offerings, please refer to our Form 10-K for the fiscal year ended March 31, 2022.

BROAD CUSTOMER BASE

WE SERVE A BROAD CUSTOMER BASE THAT SPANS ACROSS THE U.S. GOVERNMENT AND COMMERCIAL MARKETS

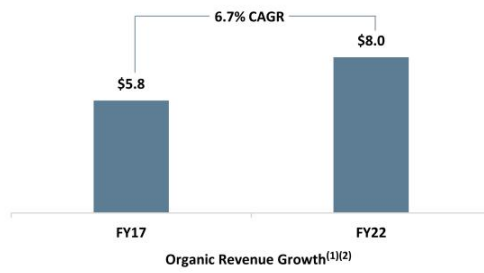


(1) All percentages of revenue are approximate; exact percentages of revenue are reported in our Form 10-K for the fiscal year ended March 31, 2022.

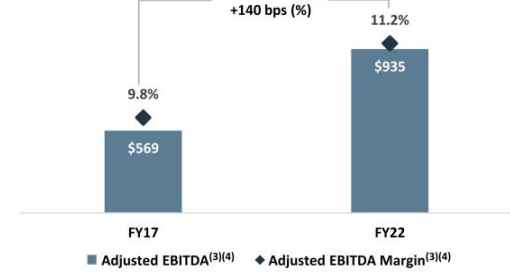
STRONG FINANCIAL RETURNS

WE HAVE A PROVEN TRACK RECORD OF STRONG FINANCIAL PERFORMANCE

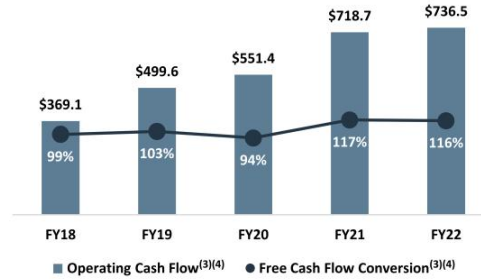
Returning to Industry-Leading Organic Growth (\$ in billions)



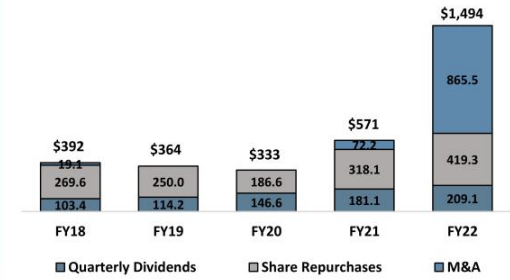
Sustained Adjusted EBITDA & Margin Expansion (\$ in millions)



Strong Cash Flow Generation (\$ in millions)



Significant Capital Deployment (\$ in millions)⁽³⁾⁽⁵⁾

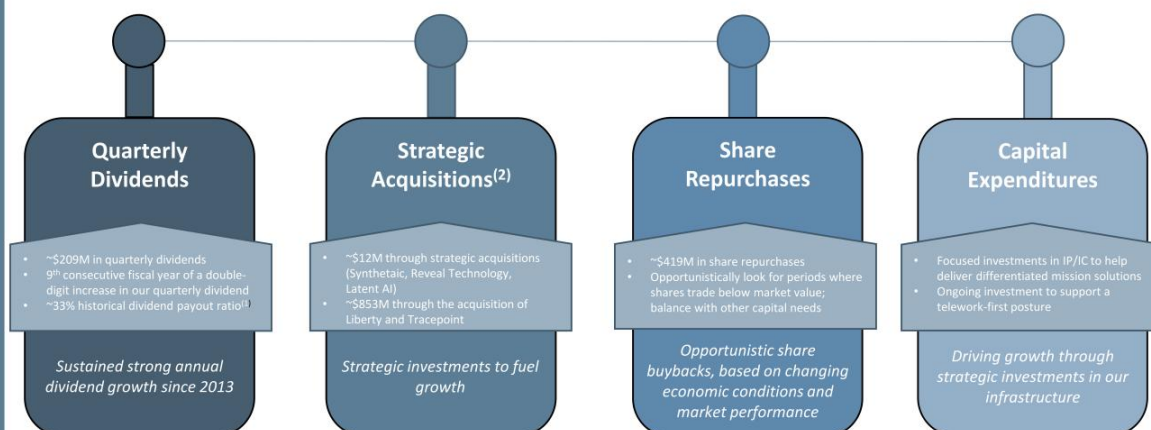


(1) Organic revenue of \$5.8 billion as of March 31, 2017 is calculated as \$5.8 billion of consolidated revenue less revenue from acquisitions of approximately \$10 million.
 (2) Organic revenue of \$8.0 billion as of March 31, 2022 is calculated as \$8.8 billion of consolidated revenue less revenue from acquisitions of approximately \$340 million.
 (3) As reported in our Forms 10-K for fiscal years ended March 31, 2018, 2019, 2020, 2021 and 2022; totals may not sum due to rounding.
 (4) A reconciliation of non-GAAP financial measures can be found in the Appendix.
 (5) Total amount of capital deployed for fiscal 2022 does not include ~\$2 million in applicable fees related to our acquisition of Tracepoint.

CAPITAL DEPLOYMENT: FY22 IN REVIEW

OUR DEPLOYMENT PRIORITIES FOLLOW A DISCIPLINED, OPPORTUNISTIC APPROACH THAT MAXIMIZES NEAR- AND LONG-TERM SHAREHOLDER VALUE

In FY22, we deployed ~\$1.49B⁽¹⁾ through a mix of quarterly dividends, strategic M&A, share repurchases and reinvestments in required CapEx



We remain committed to a balanced capital allocation strategy to maximize long-term shareholder value

(1) As measured over a five-year period.

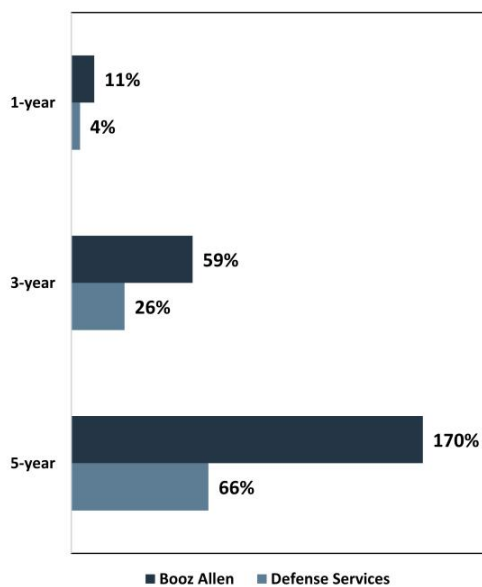
(2) Total amount of capital deployed in FY22 does not include ~\$2M in applicable fees related to our acquisition of Tracepoint.

OUTPERFORMING THE MARKET

DRIVING LONG-TERM SHAREHOLDER VALUE THROUGH STRONG FINANCIAL PERFORMANCE AND PRUDENT CAPITAL MANAGEMENT

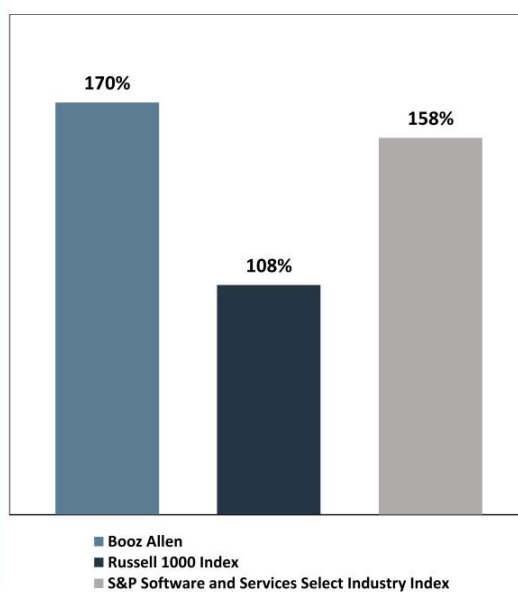
Total Shareholder Returns vs. Core Peers

One-, Three- and Five-Year Periods⁽¹⁾



Total Shareholder Returns vs. Broader Indexes

Five-Year Period⁽¹⁾

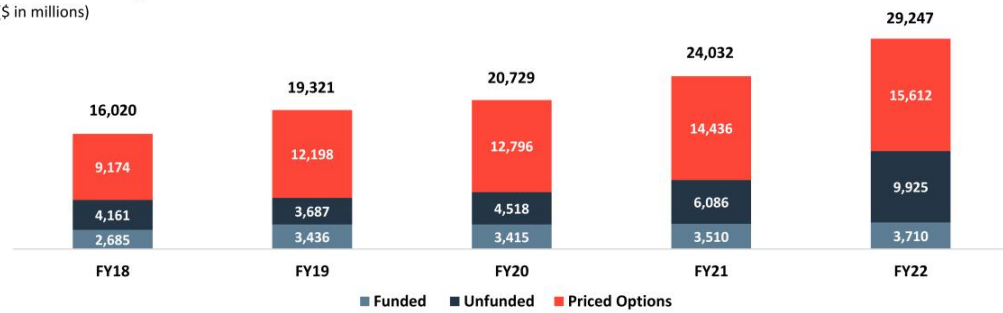


⁽¹⁾ As of March 31, 2022. Core peers include: CACI, LDOS, MANT, and SAIC.

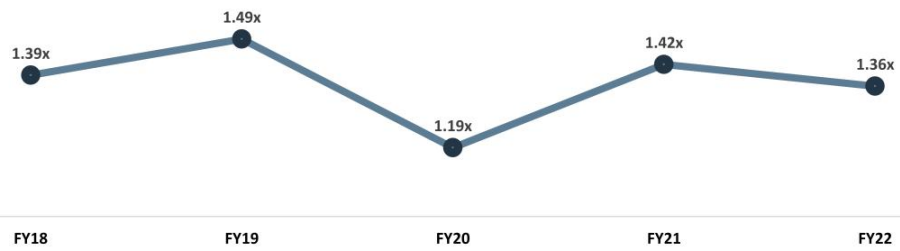
STRONG BACKLOG AND CONTRACT-LEVEL PERFORMANCE

DEMONSTRATES THE STRENGTH OF OUR VALUE PROPOSITION AND CORE CAPABILITIES

Historical Backlog⁽¹⁾⁽²⁾
(\$ in millions)



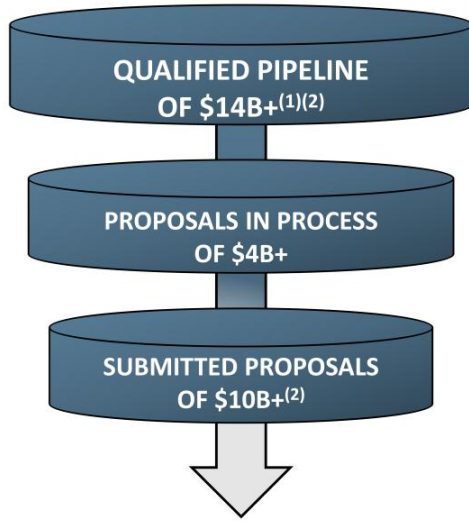
Historical Book-to-Bill
LTM Book-to-Bill Ratios



(1) As reported in our Forms 10-K for the fiscal years ended March 31, 2018, 2019, 2020, 2021 and 2022.

(2) Backlog presented as of March 31, 2022, includes backlog acquired from acquisitions made during fiscal 2022, which was approximately \$2.6 billion as of March 31, 2022.

FY23 PIPELINE AND DEMAND DYNAMICS



- ✓ Diverse portfolio with limited concentration risk
- ✓ Strong demand environment aligned to innovation agenda
- ✓ ~90% win rate on new work
~65% on recompetes⁽⁴⁾
- ✓ Backlog of \$30B⁺
~15% of which is funded⁽¹⁾

Ample demand and strong growth prospects support momentum across the business.

⁽¹⁾ Qualified pipeline and backlog as of December 31, 2022. Does not include the new large Intel contract referenced on the Company's earnings call held on January 27, 2023, which the Company has since learned has been awarded to a party other than Booz Allen (and the Company is evaluating its options with respect to that award).

⁽²⁾ Includes awards that were under protest as of December 31, 2022, and reflects the adjudication of the \$860M EHRM contract that was awarded in January 2023.

⁽³⁾ Calculated as the change in consolidated backlog during the period plus consolidated gross revenue.

⁽⁴⁾ As disclosed in the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 2022.

2022 ESG HIGHLIGHTS AT A GLANCE

ENVIRONMENTAL, SOCIAL, GOVERNANCE IMPACTS SUPPORT LONG-TERM RESILIENCE

73%

73% of our Board of Directors² (8 of 11) are Women, Asian, Hispanic, and/or African American and 45% (5 of 11) are Women

↓ 65%

Reduced our total greenhouse gas emissions by 65% compared to FY20 emissions³

EXPANDED TECHNICAL LEARNING

Launched Technical Experience Groups (TXGs) and in-house technical badging programs in support of technical talent acquisition and skill development, creating a workforce prepared to support the firm's VoLT growth strategy

NO EMPLOYEE PREMIUM MEDICAL PLAN

Introduced a medical plan option with zero employee premiums to make healthcare more affordable and attainable for employees

↔ 99%

Maintained a 99% completion rate of firmwide mandatory annual Ethics & Compliance training

CORPORATE QUALITY CERTIFICATIONS

Maintained our ISO 14001:2015 Environmental Management System certification for our global headquarters and achieved ISO 22301:2019 Business Continuity System certification of our Business Continuity Program and ability to maintain business operations during a disruption

\$100M

Launched Booz Allen Ventures in 2022, seeded initially with a \$100M commitment, to invest in early-stage technology poised to transform mission outcomes for the public sector

↑ 13%

Facilitated a 13% increase in employee charitable giving (\$) through a series of firmwide giving campaigns and our Booz Allen Cares donation platform

↑ 10%

Committed to increasing our pipeline of diverse senior leaders by 10%

¹⁾ Unless otherwise specified, data points noted on this slide are as of March 31, 2022.

²⁾ With the addition of a director in January 2023, the Company's Board of Directors demographic composition and size changed, increasing from 10 to 11 directors.

³⁾ FY21 emissions were significantly influenced by COVID-19, making a comparison of FY22 to FY20 more useful than a comparison of FY22 to FY21.

**THIRD QUARTER FISCAL 2023
FINANCIAL RESULTS**

&

FISCAL 2023 OUTLOOK

KEY FINANCIAL RESULTS

THIRD QUARTER FISCAL YEAR 2023 RESULTS

	THIRD QUARTER ⁽¹⁾		FISCAL YEAR-TO-DATE (12/31/22) ⁽¹⁾	
Revenue	\$2.3 billion	+12.1%	\$6.8 billion	+11.4%
Revenue, Excluding Billable Expenses	\$1.6 billion	+11.2%	\$4.8 billion	+10.4%
Net Income	\$31 million	(76.2)%	\$340 million	(9.6)%
Adjusted EBITDA ²	\$244 million	+9.8%	\$783 million	+7.2%
Adjusted EBITDA Margin on Revenue ²	10.7%	(1.8)%	11.5%	(3.4)%
Adjusted Net Income	\$142 million	+4.0%	\$471 million	+4.0%
Diluted EPS	\$0.23	(75.8)%	\$2.54	(8.0)%
Adjusted Diluted EPS	\$1.07	+4.9%	\$3.55	+6.0%
Net Cash Provided by Operating Activities	\$139 million	+547.4%	\$366 million	(24.0)%

⁽¹⁾ Comparisons are to prior fiscal year period.

⁽²⁾ Reconciliations of Adjusted EBITDA and Adjusted EBITDA Margin on Revenue can be found on Slide 24. Net Income attributable to common stockholders was \$31.0 million and \$340.2 million for the three and nine months ended December 31, 2022. Net income margin attributable to common stockholders was 1.4% and 5.0% for the three and nine months ended December 31, 2022.

FINANCIAL OUTLOOK

RAISING FULL YEAR FISCAL 2023 GUIDANCE¹

OPERATING PERFORMANCE	Updated Fiscal 2023 Guidance	Prior Fiscal 2023 Guidance
Total Revenue Growth ²	9.5% – 10.5%	8.0 – 10.0%
Adjusted EBITDA	\$995 – \$1,015 million	\$975 – \$1,015 million
Adjusted EBITDA Margin on Revenue	High 10%-to-Low 11%	High 10%-to-Low 11%
Adjusted Diluted EPS ³	\$4.35 – \$4.50	\$4.25 – \$4.50
Net Cash Provided by Operating Activities ⁴	\$875 – \$950 million	\$875 – \$950 million

⁽¹⁾ Reconciliations omitted in reliance on Item 10(e)(1)(i)(ii)(B) of Regulation S-K. See "Disclaimer".

⁽²⁾ Updated Fiscal 2023 Guidance includes approximately 2% of the targeted growth in revenue includes Liberty, Tracepoint and EverWatch, partially offset by the MENA and MTS divestitures.

⁽³⁾ Updated Fiscal 2023 Guidance assumes an effective tax rate of 23-25%, average diluted shares outstanding of 131-133 million, and interest expense of \$117-122 million.

⁽⁴⁾ Excludes approximately \$315 million of net cash taxes we expect to pay in fiscal 2023, as detailed on Slide 18.

FISCAL YEAR 2023 OPERATING CASH BRIDGE

Operating Cash Bridge FY22 to FY23	Current Guidance ¹	Original Guidance ¹
FY22 Operating Cash	\$737 million	\$737 million
FY22 Net Cash Paid for Income Taxes ²	\$(127) million	\$(127) million
Adjusted EBITDA Growth ³	~\$60 – \$80 million	~\$40 – \$80 million
Interest Expense ³	~\$(26) million	~\$(25) million
Net Changes in Working Capital	~\$(23) – \$33 million	~\$(4) – \$31 million
FY23 Operating Cash Excluding Net Cash to be Paid for Income Taxes	\$875 - \$950 million	\$875 - \$950 million
Effective Tax Rate ³	~\$(175) million	~\$(175) million
Tax Law Changes & Strategic Planning ⁴	\$—	\$—
Section 174 ⁵	~\$(140) million	~\$(140) million
FY23 Operating Cash	\$560 - \$635 million	\$560 - \$635 million

(1) Totals may not sum due to rounding.

(2) Adding back fiscal year 2022 cash tax payments to show an equal comparison to fiscal year 2023 Operating Cash Flow before cash tax payments.

(3) Reflects the expected impact of the midpoints of fiscal 2023 Adjusted EBITDA range of \$995-1,015 million, interest expense range of \$117-122 million, and effective tax rate range of 23-25 percent.

(4) Guidance reflects (i) cash taxes associated with tax law changes and strategic planning of \$175 million, offset by (ii) a partial tax refund of \$175 million received in October 2022 associated with prior strategic tax planning initiatives.

(5) Reflects the Company's refined estimate of cash to be paid in fiscal 2023 based upon current tax obligations relating to research and development expenditures.

FISCAL YEAR 2023 ADEPS BRIDGE

ADEPS BRIDGE FROM FY22 TO FY23	Updated Guidance ¹	Original Guidance ¹
FY22 ADEPS	\$4.21	\$4.21
Revenue Growth	~\$0.51 – \$0.56	~\$0.43 – \$0.53
Adjusted EBITDA Margin	~\$(0.15) – \$(0.05)	~\$(0.19) – \$(0.05)
FY23 Operational ADEPS	\$4.57 – \$4.72	\$4.45 – \$4.70
Depreciation and Amortization ²	~\$(0.03)	~\$(0.03)
Interest Expense ³	~\$(0.15)	~\$(0.14)
Income Tax Expense ⁴	~\$(0.06)	~\$(0.06)
Other Below-the-Line Items ⁵	~\$0.02	~\$0.04
FY23 ADEPS	\$4.35 – \$4.50	\$4.25 – \$4.50

⁽¹⁾ Totals may not sum due to rounding.

⁽²⁾ Reflects the incremental increase in depreciation and amortization related to investments in infrastructure and technology.

⁽³⁾ Reflects the midpoint of the fiscal 2023 estimated interest expense range as compared to fiscal 2022 results.

⁽⁴⁾ Reflects the midpoint of the fiscal 2023 estimated effective tax rate range as compared to fiscal 2022 results.

⁽⁵⁾ Reflects the estimated interest income and lower average diluted shares outstanding from fiscal 2022 to fiscal 2023.

FY2023 – FY2025 INVESTMENT THESIS

INVESTMENT THESIS

EXCEPTIONAL SHAREHOLDER VALUE CREATION

FY2023 – FY2025 GOALS

Competitive
Edge at the
Mission-
Innovation
Intersection

ADJUSTED EBITDA GROWTH TO \$1.2 – 1.3B

Organic
Revenue
5–8%

+

Strategic
Acquisitions &
Investments

+

Strong Mid 10%
Adjusted EBITDA
Margin

Disciplined
Capital
Deployment
\$3.5 – 4.5B

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 client staff headcount and our overall direct labor, which management believes provides useful information to our investors about our core operations.
 - "Adjusted Operating Income" represents operating income before acquisition and divestiture costs, financing transaction costs, significant acquisition amortization, and the reserve associated with the U.S. Department of Justice investigation disclosed in Note 15 to the Condensed Consolidated Financial Statements in the Company's Form 10-Q for the period ended December 31, 2022. We prepare Adjusted Operating Income to eliminate the impact of items we do not consider indicative of ongoing operating performance due to their inherent unusual, extraordinary, or non-recurring nature or because they result from an event of a similar nature.
 - "Adjusted EBITDA" represents net income attributable to common stockholders before income taxes, net interest and other expense and depreciation and amortization and before certain other items, including acquisition and divestiture costs, financing transaction costs, and the reserve associated with the U.S. Department of Justice investigation disclosed in Note 15 to the Condensed Consolidated Financial Statements in the Company's Form 10-Q for the period ended December 31, 2022. "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. We prepare Adjusted EBITDA, Adjusted EBITDA Margin on Revenue, and Adjusted EBITDA Margin on Revenue, Excluding Billable Expenses 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 Net Income" represents net income attributable to common stockholders before: (i) acquisition and divestiture costs, (ii) financing transaction costs, (iii) significant acquisition amortization, (iv) the reserve associated with the U.S. Department of Justice investigation disclosed in Note 15 to the Condensed Consolidated Financial Statements in the Company's Form 10-Q for the period ended December 31, 2022, (v) gain associated with equity method investment activity, (vi) gain associated with divestitures or deconsolidation, and (vii) amortization and write-off of debt issuance costs and debt discount, in each case net of the tax effect where appropriate calculated using an assumed effective tax rate. We prepare Adjusted Net Income to eliminate the impact of items, net of tax, we do not consider indicative of ongoing operating performance due to their inherent unusual, extraordinary, or non-recurring nature or because they result from an event of a similar nature. We view Adjusted Net Income as an important indicator of performance consistent with the manner in which management measures and forecasts the Company's performance and the way in which management is incentivized to perform.
 - "Adjusted Diluted EPS" represents diluted EPS calculated using Adjusted Net Income as opposed to net income. Additionally, Adjusted Diluted EPS does not contemplate any adjustments to net income as required under the two-class method as disclosed in the footnotes to our consolidated financial statements in our Form 10-K for the fiscal year ended March 31, 2022.
 - "Free Cash Flow" represents the net cash generated from operating activities less the impact of purchases of property, equipment and software. "Free Cash Flow Conversion" is calculated as Free Cash Flow divided by Adjusted Net Income.
 - "Organic Revenue Growth" represents growth in consolidated revenue excluding revenue from acquisitions.
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NON-GAAP FINANCIAL INFORMATION (Unaudited)

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2022	2021	2022	2021
(In thousands, except share and per share data)				
Revenue, Excluding Billable Expenses				
Revenue	\$ 2,277,074	\$ 2,030,520	\$ 6,825,650	\$ 6,125,624
Less: Billable expenses	710,526	621,550	2,069,733	1,817,215
Revenue, Excluding Billable Expenses	<u>\$ 1,566,548</u>	<u>\$ 1,408,970</u>	<u>\$ 4,755,917</u>	<u>\$ 4,308,409</u>
Adjusted Operating Income				
Operating income	\$ 58,640	\$ 177,212	\$ 489,756	\$ 536,836
Acquisition and divestiture costs (a)	19,096	5,346	40,121	85,815
Financing transaction costs (b)	—	—	6,888	2,348
Significant acquisition amortization (c)	14,101	11,884	36,275	26,410
Legal matter reserve (d)	124,000	—	124,000	—
Adjusted Operating Income	<u>\$ 715,837</u>	<u>\$ 194,442</u>	<u>\$ 697,040</u>	<u>\$ 651,409</u>
EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin on Revenue & Adjusted EBITDA Margin on Revenue, Excluding Billable Expenses				
Net income attributable to common stockholders	\$ 30,997	\$ 128,931	\$ 340,213	\$ 375,867
Income tax expense	10,539	30,090	103,286	103,569
Interest and other, net (e)	17,412	18,276	46,907	57,485
Depreciation and amortization	42,046	39,576	121,200	104,923
EBITDA	100,994	216,873	611,606	641,844
Acquisition and divestiture costs (a)	19,096	5,346	40,121	85,815
Financing transaction costs (b)	—	—	6,888	2,348
Legal matter reserve (d)	124,000	—	124,000	—
Adjusted EBITDA	<u>\$ 244,090</u>	<u>\$ 222,219</u>	<u>\$ 782,615</u>	<u>\$ 730,007</u>
Net income margin attributable to common stockholders	1.4 %	6.3 %	5.0 %	6.1 %
Adjusted EBITDA Margin on Revenue	10.7 %	10.9 %	11.5 %	11.9 %
Adjusted EBITDA Margin on Revenue, Excluding Billable Expenses	15.6 %	15.8 %	16.5 %	16.9 %
Adjusted Net Income				
Net income attributable to common stockholders	\$ 30,997	\$ 128,931	\$ 340,213	\$ 375,867
Acquisition and divestiture costs (a)	19,096	5,346	40,121	85,815
Financing transaction costs (b)	—	—	6,888	2,348
Significant acquisition amortization (c)	14,101	11,884	36,275	26,410
Legal matter reserve (d)	124,000	—	124,000	—
Gain associated with equity method investment activity (f)	—	(7,095)	—	(12,761)
Gains associated with divestitures or deconsolidation (g)	(13,472)	—	(44,632)	—
Amortization and write-off of debt issuance costs and debt discount	780	821	5,780	2,524
Adjustments for tax effect (h)	(33,020)	(2,848)	(37,518)	(27,127)
Adjusted Net Income	<u>\$ 142,482</u>	<u>\$ 137,039</u>	<u>\$ 471,127</u>	<u>\$ 453,076</u>
Adjusted Diluted Earnings Per Share				
Weighted-average number of diluted shares outstanding	132,759,877	134,262,750	132,831,569	135,314,226
Diluted earnings per share	\$ 0.23	\$ 0.95	\$ 2.54	\$ 2.76
Adjusted Net Income Per Diluted Share (i)	<u>\$ 1.07</u>	<u>\$ 1.02</u>	<u>\$ 3.55</u>	<u>\$ 3.35</u>
Free Cash Flow				
Net cash provided by operating activities	\$ 138,582	\$ 21,405	\$ 365,674	\$ 481,151
Less: Purchases of property, equipment and software	(21,664)	(21,933)	(51,398)	(51,608)
Free cash flow	<u>\$ 116,918</u>	<u>\$ (528)</u>	<u>\$ 314,276</u>	<u>\$ 429,543</u>
Operating cash flow conversion	447 %	17 %	107 %	128 %
Free cash flow conversion	82 %	— %	67 %	95 %

NON-GAAP FINANCIAL INFORMATION (Unaudited)

- a. Represents costs associated with the acquisition efforts of the Company related to transactions for which the Company has entered into a letter of intent to acquire a controlling financial interest in the target entity, as well as the divestiture costs incurred in divesting a portion of our business. Acquisition and divestiture costs primarily include costs associated with (i) buy-side and sell-side due diligence activities, (ii) compensation expenses associated with employee retention, and (iii) legal and advisory fees primarily associated with the acquisitions of Liberty IT Solutions, LLC ("Liberty") and Tracepoint Holdings, LLC ("Tracepoint") in fiscal 2022, and the acquisition of EverWatch Corp. ("EverWatch") and the divestitures of our management consulting business serving the Middle East and North Africa ("MENA") and our Managed Threat Services business ("MTS") in fiscal 2023.
- b. Reflects expenses associated with debt financing activities incurred during the first quarter of fiscal 2022 and second quarter of fiscal 2023.
- c. Amortization expense associated with acquired intangibles from significant acquisitions. Significant acquisitions include acquisitions which the Company considers to be beyond the scope of our normal operations. Significant acquisition amortization includes amortization expense associated with the acquisition of Liberty in the first quarter of fiscal 2022 and the acquisition of EverWatch in the third quarter of fiscal 2023.
- d. Reserve associated with the U.S. Department of Justice's investigation of the Company. See Note 15, "Commitments and Contingencies," to the condensed consolidated financial statements for further information.
- e. Reflects the combination of Interest expense and Other income, net from the condensed consolidated statement of operations.
- f. Represents a gain in the second quarter of fiscal 2022 associated with the Company's remeasurement of its previously held equity method investment in Tracepoint, and a gain in the third quarter of fiscal 2022 associated with the divestiture of a controlling financial interest in SnapAttack.
- g. Represents the gain recognized on the divestitures of the Company's MENA business in the second quarter of fiscal 2023, its MTS business in the third quarter of fiscal 2023, and the gain on the deconsolidation of an artificial intelligence software platform business in the third quarter of fiscal 2023.
- h. Reflects the tax effect of adjustments at an assumed effective tax rate of 26%, which approximates the blended federal and state tax rates, and consistently excludes the impact of other tax credits and incentive benefits realized. The tax effect of certain discrete items is calculated specifically and may vary from the general 26% rate.
- i. Excludes adjustments of approximately \$0.5 million and \$2.6 million of net earnings for the three and nine months ended December 31, 2022, respectively, and \$0.9 million and \$2.4 million of net earnings for the three and nine months ended December 31, 2021, respectively, associated with the application of the two-class method for computing diluted earnings per share.

FINANCIAL RESULTS – KEY DRIVERS

Third Quarter Fiscal 2023 – Below is a summary of the key factors driving results for the fiscal 2023 third quarter ended December 31, 2022 as compared to the prior year period:

- Revenue increased 12.1% to \$2.3 billion and Revenue, Excluding Billable Expenses increased 11.2% to \$1.6 billion. Revenue growth was primarily driven by a combination of headcount growth, salary increases, and strong demand for our solutions, as well as higher staff utilization as compared to the prior year period. The increase in revenue also includes approximately \$28.6 million of contributions related to the Company's acquisition of EverWatch in the third quarter of fiscal 2023.
- Operating income decreased 66.9% to \$58.6 million and Adjusted Operating Income increased 11.0% to \$215.8 million. Operating income was negatively impacted by a \$124.0 million reserve associated with the U.S. Department of Justice's investigation of the Company recorded in the third quarter of fiscal 2023, as well as less favorable contract mix, higher unallowable spending, higher billable expense mix and inflationary pressures, partially offset by strong contract-level performance. The increase in Adjusted Operating Income was driven by the same factors impacting Operating Income with the exception of the aforementioned legal matter reserve, which did not impact Adjusted Operating Income.
- Net income decreased 76.2% to \$30.7 million, and net income attributable to common stockholders decreased 76.0% to \$31.0 million. These changes were primarily driven by the same factors as operating income, as well as higher interest expense, partially offset by a net gain of \$8.9 million from the de-consolidation of an artificial intelligence software platform business, and a \$4.6 million pre-tax gain associated with the divestiture of the Company's Managed Threat Services business. Adjusted Net income increased 4.0% to \$142.5 million. The change in Adjusted Net Income was primarily driven by the same factors as Adjusted Operating Income, as well as higher income tax expense.
- EBITDA decreased 53.4% to \$101.0 million and Adjusted EBITDA increased 9.8% to \$244.1 million. These changes were due to the same factors as operating income and Adjusted Operating Income, respectively.
- Diluted EPS decreased to \$0.23 from \$0.95 and Adjusted Diluted EPS increased to \$1.07 from \$1.02. The changes were primarily driven by the same factors as Net Income and Adjusted Net Income, respectively, as well as a lower share count in the second quarter of fiscal 2023.
- Net cash provided by operating activities was \$138.6 million for the quarter ended December 31, 2022, as compared to \$21.4 million in the prior year period. Free Cash Flow was \$116.9 million for the three months ended December 31, 2022, as compared to \$(0.5) million in the prior year period. The increase in net cash provided by operating activities was primarily driven by collections from revenue growth and a net benefit from cash taxes paid during the quarter, partially offset by acquisition and divestiture related costs paid during the third quarter of fiscal 2023.

BOOZ ALLEN INVESTOR & MEDIA RELATIONS CONTACTS

- Website: investors.boozallen.com

- Contact Information:

- **Investor Relations**

- Nathan P Rutledge
Director & Head of Investor Relations
202-440-3943
Rutledge_Nathan@BAH.com

- **Media**

- Jessica Klenk
Director, Media Relations
703-377-4296
Klenk_Jessica@bah.com

