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): January 26, 2024

Booz Allen Hamilton Holding Corporation
(Exact name of Registrant as specified in its charter)

Delaware	**001-34972**	**26-2634160**
(State or other jurisdiction of incorporation)	**(Commission File Number)**	**(IRS Employer Identification No.)**

8283 Greensboro Drive,	**McLean,**	**Virginia**	**22102**
(Address of principal executive offices)			**(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	Trading Symbol	Name of Each Exchange on Which Registered
Class A Common Stock	BAH	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 2.02 Results of Operations and Financial Condition.

On January 26, 2024, Booz Allen Hamilton Holding Corporation (the "Company") issued a press release announcing its results of operations for the fiscal quarter ended December 31, 2023. A copy of the press release is attached hereto as Exhibit 99.1.

On January 26, 2024, the Company posted to the "Investor Relations" section of its website the presentation that accompanies the earnings conference call. A copy of the presentation is attached hereto as Exhibit 99.2.

The information in this Item 2.02 and Exhibits 99.1 and 99.2 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 that filing.

Item 9.01 Financial Statements and Exhibits.

Exhibit No.	Description
99.1	Press Release dated January 26, 2024
99.2	Earnings Conference Call Presentation
104	The cover page of this Current Report on Form 8-K, formatted as inline XBRL.

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: January 26, 2024

Booz | Allen | Hamilton®

BOOZ ALLEN HAMILTON ANNOUNCES THIRD QUARTER FISCAL 2024 RESULTS

- **+ Exceptional Third Quarter Performance Including Double-Digit Revenue Growth and Industry-Leading Organic Revenue Growth[1]**
- **+ Company Raises Full-Year Guidance at the Top and Bottom Lines**
- **+ Quarterly Revenue Increase of 12.9 percent over the Prior Year Period to $2.6 billion and Revenue, Excluding Billable Expenses[2] Growth of 13.0 percent**
- **+ Quarterly Diluted Earnings Per Share of $1.11 and Adjusted Diluted Earnings Per Share[2] of $1.41**
- **+ 9.2 percent Year-Over-Year Client Staff Headcount Growth and 8.6 percent Year-Over-Year Total Headcount Growth**
- **+ 14.2 percent Increase in Quarterly Backlog to $34.3 billion; Quarterly Book-to-Bill Ratio of 0.72x**
- **+ Increases Quarterly Dividend by $0.04 to $0.51 per Share**

"Our VoLT strategy is driving both excellent performance and increased resilience across the business. Strong demand and growing headcount are fueling continued momentum as we scale and evolve Booz Allen's technology positions and invest in our people. We are creating exceptional value for clients and investors as we deliver ahead of pace on our Investment Thesis."

— HORACIO ROZANSKI
President and Chief Executive Officer

McLean, Virginia; January 26, 2024 - Booz Allen Hamilton Holding Corporation (NYSE: BAH), the parent company of management and technology consulting and engineering services firm Booz Allen Hamilton Inc., today announced results for the third quarter of fiscal year 2024.

In the third quarter, the Company delivered excellent performance at the top and bottom lines, including double-digit organic revenue growth[1] in federal defense and civil markets, exceptional Adjusted EBITDA growth and quarterly backlog growth, and strong quarterly headcount growth. The Company remains ahead of pace to achieve its three-year Investment Thesis goals.

The Company reported the following third quarter fiscal year 2024 results as compared to third quarter fiscal year 2023: quarterly revenue growth of 12.9 percent, a 12.8 percent quarterly increase in organic revenue, and a 13.0 percent quarterly increase in Revenue, Excluding Billable Expenses; Net Income increased by 374.6 percent to $145.6 million, net income attributable to common stockholders increased by 369.9 percent to $145.6 million, and Adjusted Net Income increased by 29.4 percent to $184.3 million. Operating income increased by 322.2 percent to $247.6 million; Adjusted EBITDA increased by 19.1 percent to $290.6 million; Adjusted EBITDA Margin on Revenue increased by 5.6 percent to 11.3%; and Diluted EPS was $1.11, up $0.88 or 382.6%, while Adjusted Diluted EPS was $1.41, up by $0.34 or 31.8%.[2]

[1] Organic revenue as of December 31, 2023 is calculated as consolidated revenue adjusted for revenue attributable to acquisitions and divestitures. Calculation excludes approximately $5.1 million of revenue from EverWatch.

[2] Revenue, Excluding Billable Expenses, Adjusted Operating Income, Adjusted Net Income, Adjusted EBITDA, Adjusted Diluted EPS, Adjusted EBITDA Margin on Revenue, Free Cash Flow and organic revenue are non-GAAP financial measures. See "Non-GAAP Financial Information" below for additional detail.

FINANCIAL SUMMARY

Third quarter ended December 31, 2023 - A summary of Booz Allen's results for the third quarter of fiscal year 2024 is below. All comparisons are to the prior year period. A description of key drivers can be found in the Company's Earnings Call Presentation for the third quarter posted on *investors.boozallen.com.*

THIRD QUARTER FY24

(Changes are compared to prior year period)

REVENUE:	
$2.57B	**+12.9 %**
REVENUE EX. BILLABLE EXPENSES:	
$1.77B	**+13.0 %**
OPERATING INCOME:	
$247.6M	**+322.2 %**
ADJ. OPERATING INCOME:	
$263.1M	**+21.9 %**
NET INCOME:	
$145.6M	**+374.6 %**
NET INCOME ATTRIBUTABLE TO COMMON STOCKHOLDERS:	
$145.6M	**+369.9 %**
ADJUSTED NET INCOME:	
$184.3M	**+29.4 %**
EBITDA:	
$288.7M	**+185.8 %**
ADJUSTED EBITDA:	
$290.6M	**+19.1 %**
DILUTED EPS:	
$1.11	**up from $0.23**
ADJUSTED DILUTED EPS:	
$1.41	**up from $1.07**

Compared to the third quarter fiscal 2023, the third quarter fiscal 2024 total backlog increased by 14.2 percent to $34.3 billion and the quarterly book-to-bill ratio was 0.72x. As of December 31, 2023, client staff headcount was approximately 2,600 higher than at the end of the prior year period, an increase of 9.2 percent, and approximately 600 higher than at the end of the prior quarter. Total headcount was approximately 2,700 higher than at the end of the prior year period, an increase of 8.6 percent, and approximately 700 higher than at the end of the prior quarter.

For the nine months ended December 31, 2023, net cash provided by operating activities was $115.1 million, as compared to $365.7 million in the prior year period. Free cash flow for the nine months ended December 31, 2023 was $64.5 million, as compared to $314.3 million in the prior year period.

The Company declared a regular quarterly dividend of $0.51 per share, which is payable on March 1, 2024 to stockholders of record on February 12, 2024.

FINANCIAL OUTLOOK

The Company is updating its fiscal year 2024 guidance, as noted in the table below:

OPERATING PERFORMANCE	UPDATED FISCAL 2024 GUIDANCE	PRIOR FISCAL 2024 GUIDANCE
Revenue Growth[4]	14.0% – 15.0%	11.0% – 14.0%
Adjusted EBITDA	$1,155 – $1,175 million	$1,115 – $1,145 million
Adjusted EBITDA Margin on Revenue	~11%	High 10% to 11%
Adjusted Diluted EPS[5]	$5.25 – $5.40	$4.95 – $5.10
Net Cash Provided by Operating Activities[6]	$200 – $275 million	$160 – $260 million

CONFERENCE CALL INFORMATION

Booz Allen Hamilton will host a conference call at 8 a.m. EST on Friday, January 26, 2024 to discuss the financial results for its third quarter fiscal year 2024. Analysts and institutional investors may participate on the call by registering online at investors.boozallen.com. Participants are requested to register a minimum 15 minutes before the start of the call.

The conference call will be webcast simultaneously to the public through a link on the investor relations section of the Booz Allen Hamilton website at investors.boozallen.com. A replay of the conference call will be available online at investors.boozallen.com beginning at 11 a.m. EST on January 26, 2024 and continuing for 30 days.

[3] Reconciliations omitted in reliance on Item 10(e)(1)(i)(B) of Regulation S-K. See "Non-GAAP Financial Information."
[4] Fiscal 2024 Guidance includes approximately 1% of net inorganic revenue contributions, which includes EverWatch, partially offset by the MENA and MTS divestitures.
[5] Fiscal 2024 Guidance assumes an effective tax rate of 22% – 23%; average diluted shares outstanding of 129–131 million, interest expense of $170-180 million, and depreciation and amortization of $165 million.
[6] Fiscal 2024 Guidance assumes cash taxes in connection with Section 174 of ~$125 million; capital expenditures of $85 million; reflects estimated net impact of settlement with the U.S. Department of Justice.

ABOUT BOOZ ALLEN HAMILTON

Trusted to transform missions with the power of tomorrow's technologies, Booz Allen Hamilton advances the nation's most critical civil, defense, and national security priorities. We lead, invest, and invent where it's needed most —at the forefront of complex missions, using innovation to define the future. We combine our in-depth expertise in AI and cybersecurity with leading-edge technology and engineering practices to deliver impactful solutions. Combining more than 100 years of strategic consulting expertise with the perspectives of diverse talent, we ensure results by integrating technology with an enduring focus on our clients. We're first to the future—moving missions forward to realize our purpose: Empower People to Change the World ®.

With global headquarters in McLean, Virginia, our firm employs approximately 33,800 people globally as of December 31, 2023, and had revenue of $9.3 billion for the 12 months ended March 31, 2023. To learn more, visit www.boozallen.com. (NYSE: BAH)

YEAR-TO-DATE FY24

(Changes are compared to prior year period)

REVENUE:
$7.89B **+15.6 %**

REVENUE EX. BILLABLE EXPENSES:
$5.45B **+14.7 %**

OPERATING INCOME:
$749.0M **+52.9 %**

ADJ. OPERATING INCOME:
$804.7M **+15.4 %**

NET INCOME:
$477.8M **+40.7 %**

NET INCOME ATTRIBUTABLE TO COMMON STOCKHOLDERS:
$477.8M **+40.4 %**

ADJUSTED NET INCOME:
$546.5M **+16.0 %**

EBITDA:
$872.8M **+42.7 %**

ADJUSTED EBITDA:
$888.2M **+13.5 %**

DILUTED EPS:
$3.62 **up from $2.54**

ADJUSTED DILUTED EPS:
$4.17 **up from $3.55**

NON-GAAP FINANCIAL INFORMATION

"Revenue, Excluding Billable Expenses" represents revenue less billable expenses. Booz Allen uses 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 its client staff headcount and its overall direct labor, which management believes provides useful information to its investors about its core operations.

"Adjusted Operating Income" represents operating income before the change in provision for claimed indirect costs, acquisition and divestiture costs, financing transaction costs, significant acquisition amortization, and the reserve associated with the U.S. Department of Justice investigation disclosed in Note 15 to the Condensed Consolidated Financial Statements in the Company's Form 10-Q for the quarter ended December 31, 2023. Booz Allen prepares Adjusted Operating Income to eliminate the impact of items it does not consider indicative of ongoing operating performance due to their inherent unusual, extraordinary or non-recurring nature or because they result from an event of a similar nature.

"Adjusted EBITDA" represents net income (loss) attributable to common stockholders before income taxes, net interest and other expense and depreciation and amortization and before certain other items, including the change in provision for claimed indirect costs, acquisition and divestiture costs, financing transaction costs, and the reserve associated with the U.S. Department of Justice investigation disclosed in Note 15 to the Condensed Consolidated Financial Statements in the Company's Form 10-Q for the quarter ended December 31, 2023, and restructuring costs. "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. Booz Allen prepares Adjusted EBITDA, Adjusted EBITDA Margin on Revenue, and Adjusted EBITDA Margin on Revenue, Excluding Billable Expenses to eliminate the impact of items it does not consider indicative of ongoing operating performance due to their inherent unusual, extraordinary or non-recurring nature or because they result from an event of a similar nature.

"Adjusted Net Income" represents net income attributable to common stockholders before: (i) the change in provision for claimed indirect costs, (ii) acquisition and divestiture costs, (iii) financing transaction costs, (iv) significant acquisition amortization, (v) the reserve associated with the U.S. Department of Justice investigation disclosed in Note 15 to the Condensed Consolidated Financial Statements in the Company's Form 10-Q for the quarter ended December 31, 2023, (vi) gains associated with divestitures or deconsolidation, and (vii) amortization and write-off of debt issuance costs and debt discount, in each case net of the tax effect where appropriate calculated using an assumed effective tax rate. Booz Allen prepares Adjusted Net Income to eliminate the impact of items, net of tax, 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. Booz Allen views Adjusted Net Income as an important indicator of performance consistent with the manner in which management measures and forecasts the Company's performance and the way in which management is incentivized to perform.

"Adjusted Diluted EPS" represents diluted EPS calculated using Adjusted Net Income as opposed to net income. Additionally, Adjusted Diluted EPS does not contemplate any adjustments to net income as required under the two-class method as disclosed in the footnotes to the consolidated financial statements of the Company's Form 10-K for the fiscal year ended March 31, 2023.

"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.

"Net Leverage Ratio" is calculated as net debt (total debt less cash) divided by Adjusted EBITDA over the prior twelve months.

"Organic Revenue" and "Organic Revenue Growth" represents growth in consolidated revenue adjusted for revenue from acquisitions and divestitures.

Booz Allen utilizes and discusses in this release 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 organic revenue because management uses these measures for business planning purposes, including managing its business against internal projected results of operations and measuring its performance. Management views 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 organic revenue as measures of the core operating business, which exclude the impact of the items detailed in the supplemental exhibits, as these items are generally not operational in nature.

These non-GAAP measures also provide another basis for comparing period to period results by excluding potential differences caused by non-operational and unusual or non-recurring items.

Management also utilizes 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 its client staff headcount and its overall direct labor, which management believes provides useful information to its investors about its core operations. Booz Allen also utilizes and discusses Free Cash Flow in this release because management uses this measure for business planning purposes, measuring the cash generating ability of the operating business and measuring liquidity generally. Booz Allen presents these supplemental 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 non-GAAP measurements may vary from and may not be comparable to similarly titled measures by other companies in Booz Allen's industry.

Revenue, Excluding Billable Expenses, Adjusted Operating Income, Adjusted EBITDA, Adjusted EBITDA Margin on Revenue, Adjusted EBITDA Margin on Revenue, Excluding Billable Expenses, Adjusted Net Income, Adjusted Diluted EPS, Free Cash Flow, Free Cash Flow Conversion, Net Leverage Ratio, and organic revenue growth 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 Earnings Per Share, net cash provided by operating activities to Free Cash Flow and Free Cash Flow Conversion, and net debt to Net Leverage Ratio, (ii) use Revenue, Excluding Billable Expenses, Adjusted Operating Income, Adjusted EBITDA, Adjusted EBITDA Margin on Revenue, Adjusted EBITDA Margin on Revenue, Excluding Billable Expenses, Adjusted Net Income, and Adjusted Diluted EPS in addition to, and not as an alternative to, revenue, operating income, net income or diluted EPS as measures of operating results, each as defined under GAAP, (iii) use Free Cash Flow, Free Cash Flow Conversion, and Net Leverage Ratio, 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, and (iv) use Net Leverage Ratio in addition to, and not as an alternative to, net debt as a measure of Booz Allen's debt leverage.

Exhibit 4 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, Free Cash Flow Conversion, and Net Leverage Ratio to the most directly comparable financial measure calculated and presented in accordance with GAAP.

With respect to our expectations under "Financial Outlook" above, a 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 2024. Projecting future stock price, equity grants, and the 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. Accordingly, Booz Allen is relying on the exception provided by Item 10(e)(1)(i)(B) of Regulation S-K to exclude the reconciliation.

In addition, our expectations for Adjusted EBITDA and Adjusted EBITDA Margin on Revenue for fiscal 2024 is presented under "Financial Outlook" above and management may discuss its expectation for Adjusted EBITDA and Adjusted EBITDA Margin on Revenue for fiscal 2025 from time to time. A reconciliation of Adjusted EBITDA and 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 quantification of the amounts that would be required to reconcile such measures. Consequently, any attempt to disclose such reconciliation would imply a degree of precision that could be confusing or misleading to investors. Accordingly, Booz Allen is relying on the exception provided by Item 10(e)(1)(i)(B) of Regulation S-K to exclude the reconciliation.

FORWARD LOOKING STATEMENTS

Certain statements contained in this press release 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, and 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. These risks and other factors include:

- any issue that compromises our relationships with the U.S. government or damages our professional reputation, including negative publicity concerning government contractors in general or us in particular;
- changes in U.S. government spending, including a continuation of efforts by the U.S. government to decrease spending for management support service contracts, and mission priorities that shift expenditures away from agencies or programs that we support or as a result of the U.S. administration transition;
- efforts by Congress and other U.S. government bodies to reduce U.S. government spending and address budgetary constraints, and the U.S. deficit, as well as associated uncertainty around the timing, extent, nature, and effect of such efforts;
- delayed long-term funding of our contracts, including uncertainty relating to funding the U.S. government and increasing the debt ceiling;
- U.S. government shutdowns as a result of the failure by elected officials to fund the government;
- failure to comply with numerous laws and regulations, including, but not limited to, the Federal Acquisition Regulation (FAR), the False Claims Act, the Defense Federal Acquisition Regulation Supplement and FAR Cost Accounting Standards and Cost Principles;
- the effects of disease outbreaks, pandemics, or widespread health epidemics, such as COVID-19, including disruptions to our workforce and the impact on government spending and demand for our solutions;
- our ability to compete effectively in the competitive bidding process and delays or losses of contract awards caused by competitors' protests of major contract awards received by us;
- variable purchasing patterns under U.S. government General Services Administration Multiple Award schedule contracts, or GSA, schedules, blanket purchase agreements and indefinite delivery/indefinite quantity, or IDIQ, contracts;
- the loss of GSA schedules, or our position as prime contractor on government-wide acquisition contract vehicles, or GWACs;
- changes in the mix of our contracts and our ability to accurately estimate or otherwise recover expenses, time, and resources for our contracts;
- changes in estimates used in recognizing revenue;
- our ability to realize the full value of and replenish our backlog, generate revenue under certain of our contracts and the timing of our receipt of revenue under contracts included in backlog;
- internal system or service failures and security breaches, including, but not limited to, those resulting from external or internal threats, including cyber attacks, on our network and internal systems;
- risks related to the operation of financial management systems;
- an inability to attract, train, or retain employees with the requisite skills and experience;
- an inability to timely hire, assimilate and effectively utilize our employees, ensure that employees obtain and maintain necessary security clearances, and/or effectively manage our cost structure;
- risks related to inflation that could impact the cost of doing business and/or reduce customer buying power;
- the loss of members of senior management or failure to develop new leaders;
- misconduct or other improper activities from our employees or subcontractors, including the improper access, use or release of our or our clients' sensitive or classified information;
- increased competition from other companies in our industry;
- failure to maintain strong relationships with other contractors or the failure of contractors with which we have entered into a sub- or prime- contractor relationship to meet their obligations to us or our clients;
- inherent uncertainties and potential adverse developments in legal or regulatory proceedings, including litigation, audits, reviews, and investigations, which may result in materially adverse judgments, settlements, withheld payments, penalties, or other unfavorable outcomes including debarment, as well as disputes over the availability of insurance or indemnification;
- failure to comply with special U.S. government laws and regulations relating to our international operations;
- risks associated with increased competition, new relationships, clients, capabilities, and service offerings in our U.S. and international businesses;
- risks related to changes to our operating structure, capabilities, or strategy intended to address client needs, grow our business, or respond to market developments;
- the adoption by the U.S. government of new laws, rules, and regulations, such as those relating to organizational conflicts of interest issues or limits;
- risks related to a possible recession and volatility or instability of the global financial system, including the failures of financial institutions and the resulting impact on counterparties and business conditions generally;
- risks related to a deterioration of economic conditions or weakening in credit or capital markets;
- risks related to pending, completed, and future acquisitions and dispositions, including the ability to satisfy specified closing conditions for pending transactions, such as those related to receipt of regulatory approval or lack of regulatory intervention, and to realize the expected benefits from completed acquisitions and dispositions;
- the incurrence of additional tax liabilities, including as a result of changes in tax laws or management judgments involving complex tax matters;
- risks inherent in the government contracting environment;
- continued efforts to change how the U.S. government reimburses compensation-related costs and other expenses or otherwise limits such reimbursements and an increased risk of compensation being deemed unreasonable and unallowable or payments being withheld as a result of U.S. government audit, review, or investigation;
- increased insourcing by various U.S. government agencies due to changes in the definition of "inherently governmental" work, including proposals to limit contractor access to sensitive or classified information and work assignments;
- the size of our addressable markets and the amount of U.S. government spending on private contractors;
- risks related to our indebtedness and credit facilities which contain financial and operating covenants;
- the impact of changes in accounting rules, and regulations, or interpretations thereof, that may affect the way we recognize and report our financial results, including changes in accounting rules governing recognition of revenue; and
- the impact of ESG-related risks and climate change generally on our and our clients' businesses and operations.

Additional information concerning these and other factors can be found in our filings with the Securities and Exchange Commission (SEC), including our Annual Report on Form 10-K filed with the SEC on May 26, 2023. 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.

Exhibit 1

Booz Allen Hamilton Holding Corporation
Condensed Consolidated Statements of Operations

	Three Months Ended December 31, (Unaudited)		Nine Months Ended December 31, (Unaudited)	
(Amounts in thousands, except per share data)	2023	2022	2023	2022
Revenue	$ 2,569,801	$ 2,277,074	$ 7,890,569	$ 6,825,650
Operating costs and expenses:				
Cost of revenue	1,180,961	1,043,474	3,665,589	3,175,897
Billable expenses	799,896	710,526	2,436,988	2,069,733
General and administrative expenses	300,273	422,388	915,160	969,064
Depreciation and amortization	41,113	42,046	123,867	121,200
Total operating costs and expenses	2,322,243	2,218,434	7,141,604	6,335,894
Operating income	247,558	58,640	748,965	489,756
Interest expense	(46,582)	(32,031)	(126,812)	(85,028)
Other income, net	6,408	14,619	11,888	38,121
Income before income taxes	207,384	41,228	634,041	442,849
Income tax expense	61,740	10,539	156,291	103,286
Net income	$ 145,644	$ 30,689	$ 477,750	$ 339,563
Net loss attributable to non-controlling interest	—	308	—	650
Net income attributable to common stockholders	145,644	30,997	477,750	340,213
Earnings per common share:				
Basic	$ 1.11	$ 0.23	$ 3.63	$ 2.55
Diluted	$ 1.11	$ 0.23	$ 3.62	$ 2.54

Exhibit 2

Booz Allen Hamilton Holding Corporation
Condensed Consolidated Balance Sheets

(Amounts in thousands, except share and per share data)	December 31, 2023	March 31, 2023
Assets	(Unaudited)	
Current assets:		
Cash and cash equivalents	$ 601,813	$ 404,862
Accounts receivable, net	1,968,086	1,774,830
Prepaid expenses and other current assets	107,036	108,366
Total current assets	2,676,935	2,288,058
Property and equipment, net of accumulated depreciation	178,719	195,186
Operating lease right-of-use assets	158,567	187,798
Intangible assets, net of accumulated amortization	619,154	685,615
Goodwill	2,343,789	2,338,399
Deferred tax assets	195,826	573,780
Other long-term assets	301,738	281,816
Total assets	$ 6,474,728	$ 6,550,652
Liabilities and stockholders' equity		
Current liabilities:		
Current portion of long-term debt	$ 51,563	$ 41,250
Accounts payable and other accrued expenses	993,512	1,316,640
Accrued compensation and benefits	474,786	445,205
Operating lease liabilities	47,482	51,238
Other current liabilities	30,065	42,721
Total current liabilities	1,597,408	1,897,054
Long-term debt, net of current portion	3,369,543	2,770,895
Operating lease liabilities, net of current portion	165,169	198,144
Income tax reserves	106,801	552,623
Other long-term liabilities	149,564	139,934
Total liabilities	5,388,485	5,558,650
Stockholders' equity:		
Common stock, Class A — $0.01 par value — authorized, 600,000,000 shares; issued, 166,799,073 shares at December 31, 2023 and 165,872,332 shares at March 31, 2023; outstanding, 129,939,050 shares at December 31, 2023 and 131,637,588 shares at March 31, 2023	1,668	1,659
Treasury stock, at cost — 36,860,023 shares at December 31, 2023 and 34,234,744 shares at March 31, 2023	(2,149,734)	(1,859,905)
Additional paid-in capital	866,036	769,460
Retained earnings	2,342,770	2,051,455
Accumulated other comprehensive loss	25,503	29,333
Total stockholders' equity	1,086,243	992,002
Total liabilities and stockholders' equity	$ 6,474,728	$ 6,550,652

Exhibit 3

Booz Allen Hamilton Holding Corporation
Condensed Consolidated Statements of Cash Flows
UNAUDITED

(Amounts in thousands)	Nine Months Ended December 31, 2023	2022
Cash flows from operating activities		
Net income	$ 477,750	$ 339,563
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	123,867	121,200
Noncash lease expense	40,558	41,632
Stock-based compensation expense	61,277	50,992
Amortization of debt issuance costs	3,580	3,329
Loss on debt extinguishment	965	10,251
Losses (gains) on dispositions, and other	2,188	(45,711)
Changes in assets and liabilities:		
Accounts receivable, net	(193,483)	(169,375)
Deferred income taxes and income taxes receivable / payable	(76,982)	(206,065)
Prepaid expenses and other current and long-term assets	(4,535)	178,383
Accrued compensation and benefits	43,758	2,815
Accounts payable and other accrued expenses	(323,730)	79,550
Other current and long-term liabilities	(40,145)	(40,890)
Net cash provided by operating activities	115,068	365,674
Cash flows from investing activities		
Purchases of property, equipment, and software	(50,532)	(51,398)
Payments for business acquisitions and dispositions	(406)	(440,069)
Payments for cost method investments	(17,316)	(2,000)
Proceeds from sale of businesses	—	53,409
Net cash used in investing activities	(68,254)	(440,058)
Cash flows from financing activities		
Proceeds from issuance of common stock	20,899	18,003
Stock option exercises	14,409	10,705
Repurchases of common stock	(303,654)	(114,075)
Cash dividends paid	(186,787)	(173,216)
Repayments on revolving credit facility, term loans, and Senior Notes	(530,937)	(406,755)
Net proceeds from debt issuance	636,207	414,751
Proceeds from revolving credit facility	500,000	—
Net cash provided by (used in) financing activities	150,137	(250,587)
Net increase (decrease) in cash and cash equivalents	196,951	(324,971)
Cash and cash equivalents—beginning of period	404,862	695,910
Cash and cash equivalents—end of period	$ 601,813	$ 370,939
Supplemental disclosures of cash flow information		
Net cash paid during the period for:		
Interest	$ 105,259	$ 67,782
Income taxes	$ 222,267	$ 123,214

Exhibit 4 - Booz Allen Hamilton Holding Corporation
Non-GAAP Financial Information
(UNAUDITED)

(In thousands, except share and per share data)	Three Months Ended December 31, 2023	Three Months Ended December 31, 2022	Nine Months Ended December 31, 2023	Nine Months Ended December 31, 2022
Revenue, Excluding Billable Expenses				
Revenue	$ 2,569,801	$ 2,277,074	$ 7,890,569	$ 6,825,650
Less: Billable expenses	799,896	710,526	2,436,988	2,069,733
Revenue, Excluding Billable Expenses*	$ 1,769,905	$ 1,566,548	$ 5,453,581	$ 4,755,917
Adjusted Operating Income				
Operating Income	$ 247,558	$ 58,640	$ 748,965	$ 489,756
Change in provision for claimed indirect costs (a)	—	—	(18,345)	—
Acquisition and divestiture costs (b)	1,952	19,096	5,480	40,121
Financing transaction costs (c)	—	—	820	6,888
Significant acquisition amortization (d)	13,597	14,101	40,301	36,275
Legal matter reserve (e)	—	124,000	27,453	124,000
Adjusted Operating Income	$ 263,107	$ 215,837	$ 804,674	$ 697,040
EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin on Revenue & Adjusted EBITDA Margin on Revenue, Excluding Billable Expenses				
Net income attributable to common stockholders	$ 145,644	$ 30,997	$ 477,750	$ 340,213
Income tax expense	61,740	10,539	156,291	103,286
Interest and other, net (f)	40,174	17,412	114,924	46,907
Depreciation and amortization	41,113	42,046	123,867	121,200
EBITDA	$ 288,671	$ 100,994	$ 872,832	$ 611,606
Change in provision for claimed indirect costs (a)	—	—	(18,345)	—
Acquisition and divestiture costs (b)	1,952	19,096	5,480	40,121
Financing transaction costs (c)	—	—	820	6,888
Legal matter reserve (e)	—	124,000	27,453	124,000
Adjusted EBITDA	$ 290,623	$ 244,090	$ 888,240	$ 782,615
Net income margin attributable to common stockholders	5.7 %	1.4 %	6.1 %	5.0 %
Adjusted EBITDA Margin on Revenue	11.3 %	10.7 %	11.3 %	11.5 %
Adjusted EBITDA Margin on Revenue, Excluding Billable Expenses	16.4 %	15.6 %	16.3 %	16.5 %
Adjusted Net Income				
Net income attributable to common stockholders	$ 145,644	$ 30,997	$ 477,750	$ 340,213
Change in provision for claimed indirect costs (a)	—	—	(18,345)	—
Acquisition and divestiture costs (b)	1,952	19,096	5,480	40,121
Financing transaction costs (c)	—	—	820	6,888
Significant acquisition amortization (d)	13,597	14,101	40,301	36,275
Legal matter reserve (e)	—	124,000	27,453	124,000
Gains associated with divestitures or deconsolidation (g)	—	(13,472)	—	(44,632)
Amortization or write-off of debt issuance costs and debt discount	1,062	780	2,950	5,780
Adjustments for tax effect (h)	22,048	(33,020)	10,094	(37,518)
Adjusted Net Income	$ 184,303	$ 142,482	$ 546,503	$ 471,127
Adjusted Diluted Earnings Per Share				
Weighted-average number of diluted shares outstanding	130,489,050	132,759,877	131,058,754	132,831,569
Diluted earnings per share	$ 1.11	$ 0.23	$ 3.62	$ 2.54
Adjusted Net Income Per Diluted Share (i)	$ 1.41	$ 1.07	$ 4.17	$ 3.55
Free Cash Flow				
Net cash provided by operating activities	$ 233,985	$ 138,582	$ 115,068	$ 365,674
Less: Purchases of property, equipment and software	(23,096)	(21,664)	(50,532)	(51,398)
Free Cash Flow	$ 210,889	$ 116,918	$ 64,536	$ 314,276
Operating cash flow conversion	161 %	447 %	24%	107%
Free cash flow conversion	114 %	82 %	12%	67%

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

(a) Represents the reduction to our provision for claimed indirect costs recorded during the second quarter of fiscal 2024, which resulted in a corresponding increase to revenue, as a result of the Defense Contract Audit Agency's findings related to its audit of our claimed indirect costs for fiscal 2022. See Note 15, "Commitments and Contingencies," to the condensed consolidated financial statements in the Company's Form 10-Q for the quarter ended December 31, 2023 for further information.

(b) Represents costs associated with the acquisition efforts of the Company related to transactions for which the Company has entered into a letter of intent to acquire a controlling financial interest in the target entity, as well as the divestiture costs incurred in divesting a portion of our business. Acquisition and divestiture costs primarily include costs associated with (i) buy-side and sell-side due diligence activities, (ii) compensation expenses associated with employee retention, and (iii) legal and advisory fees, primarily associated with the acquisitions of Liberty IT Solutions, LLC ("Liberty") and Tracepoint Holdings, LLC ("Tracepoint") in fiscal 2022, and the acquisition of EverWatch Corp. ("EverWatch") and the divestitures of our management consulting business serving the Middle East and North Africa ("MENA") and our Managed Threat Services business ("MTS") in fiscal 2023. See Note 5, "Acquisition, Goodwill and Intangible Assets," to the condensed consolidated financial statements in the Company's Form 10-Q for the quarter ended December 31, 2023 for further information.

(c) Reflects expenses associated with debt financing activities incurred during the second quarters of fiscal 2024 and 2023.

(d) Amortization expense associated with acquired intangibles from significant acquisitions. Significant acquisitions include acquisitions which the Company considers to be beyond the scope of our normal operations. Significant acquisition amortization includes amortization expense associated with the acquisition of Liberty in the second quarter of fiscal 2022 and EverWatch in the third quarter of fiscal 2023.

(e) Reserve associated with the U.S. Department of Justice's investigation of the Company. See Note 15, "Commitments and Contingencies," to the condensed consolidated financial statements in the Company's Form 10-Q for the quarter ended December 31, 2023 for further information.

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

(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. The tax effect also includes the indirect effects of uncertainty around the application of Section 174 of the Tax Cuts and Jobs Act of 2017 ($26.0 million and $22.0 million for the three and nine months ended December 31, 2023, respectively). See Note 10, "Income Taxes," to the condensed consolidated financial statements in the Company's Form 10-Q for the quarter ended December 31, 2023 for further information.

(i) Excludes adjustments of approximately $1.2 million and $3.9 million of net earnings for the three and nine months ended December 31, 2023, respectively, and approximately $0.5 million and $2.6 million of net earnings for the three and nine months ended December 31, 2022, respectively, associated with the application of the two-class method for computing diluted earnings per share.

Exhibit 4 - Booz Allen Hamilton Holding Corporation

Non-GAAP Financial Information (Continued)
(UNAUDITED)

(In thousands, except share and per share data)	Three Months Ended December 31, 2023	Three Months Ended September 30, 2023	Three Months Ended June 30, 2023	Three Months Ended March 31, 2023
Net income (loss) attributable to common stockholders	$ 145,644	$ 170,718	$ 161,388	$ (68,422)
Income tax (benefit) expense	61,740	55,071	39,480	(6,552)
Interest and other, net (a)	40,174	41,200	33,550	31,992
Depreciation and amortization	41,113	40,907	41,847	44,284
EBITDA	$ 288,671	$ 307,896	$ 276,265	$ 1,302
Change in provision for claimed indirect costs (b)	—	(18,345)	—	—
Acquisition and divestiture costs (c)	1,952	260	3,268	4,148
Financing transaction costs (d)	—	820	—	—
Legal matter reserve (e)	—	—	27,453	226,000
Adjusted EBITDA	$ 290,623	$ 290,631	$ 306,986	$ 231,450
Last 12 months Adjusted EBITDA	$ 1,119,690			
Total Debt	$ 3,421,106			
Less: Cash	601,813			
Net Debt	$ 2,819,293			
Net Leverage Ratio (g)	2.5			

(In thousands, except share and per share data)	Three Months Ended December 31, 2022	Three Months Ended September 30, 2022	Three Months Ended June 30, 2022	Three Months Ended March 31, 2022
Net income attributable to common stockholders	$ 30,997	$ 170,932	$ 138,284	$ 90,873
Income tax expense	10,539	51,258	41,489	33,897
Interest and other, net (a)	17,412	1,882	27,613	23,653
Depreciation and amortization	42,046	39,052	40,102	40,824
EBITDA	$ 100,994	$ 263,124	$ 247,488	$ 189,247
Acquisition and divestiture costs (c)	19,096	15,932	5,093	11,670
Financing transaction costs (d)	—	6,888	—	—
Legal matter reserve (e)	124,000	—	—	—
Restructuring costs (f)	—	—	—	4,164
Adjusted EBITDA	$ 244,090	$ 285,944	$ 252,581	$ 205,081
Last 12 months Adjusted EBITDA	$ 987,696			
Total Debt	$ 2,821,711			
Less: Cash	370,939			
Net Debt	$ 2,450,772			
Net Leverage Ratio (g)	2.5			

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

(b) Represents the reduction to our provision for claimed indirect costs recorded during the second quarter of fiscal 2024, which resulted in a corresponding increase to revenue, as a result of the Defense Contract Audit Agency's findings related to its audit of our claimed indirect costs for fiscal 2022. See Note 15, "Commitments and Contingencies," to the condensed consolidated financial statements in the Company's Form 10-Q for the quarter ended December 31, 2023 for further information.

(c) 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 and Tracepoint in fiscal 2022, and the acquisition of EverWatch and the divestitures of our MENA business and MTS business in fiscal 2023. See Note 5, "Acquisition, Goodwill and Intangible Assets," to the condensed consolidated financial statements in the Company's Form 10-Q for the quarter ended December 31, 2023 for further information.

(d) Reflects expenses associated with debt financing activities incurred during the second quarters of fiscal 2024 and 2023.

(e) Reserve associated with the U.S. Department of Justice's investigation of the Company. See Note 15, "Commitments and Contingencies," to the condensed consolidated financial statements in the Company's Form 10-Q for the quarter ended December 31, 2023 for further information.

(f) Represents restructuring charges of $8.3 million incurred during the fourth quarter of fiscal 2022, net of approximately $4.2 million of revenue recognized on recoverable expenses, associated with severance costs of a restructuring plan to reduce certain executive administrative personnel costs.

(g) "Net Leverage Ratio" is calculated as net debt (total debt less cash) divided by Adjusted EBITDA over the prior twelve months.

Exhibit 5

Booz Allen Hamilton Holding Corporation
Operating Data
(UNAUDITED)

(Amounts in millions)	As of December 31, 2023	As of December 31, 2022
Backlog		
Funded	$ 5,246	$ 4,544
Unfunded	9,195	10,131
Priced Options	19,880	15,373
Total Backlog	$ 34,321	$ 30,048

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2023	2022	2023	2022
Book-to-Bill *	0.72	0.09	1.40	1.07

* Book-to-bill is calculated as net bookings, which represents the change in total backlog during the relevant fiscal period plus the relevant fiscal period revenue, divided by the relevant fiscal period revenue.

	As of December 31, 2023	As of December 31, 2022
Headcount		
Total Headcount	33,798	31,130
Client Staff Headcount	30,864	28,269

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2023	2022	2023	2022
Percentage of Total Revenue by Contract Type				
Cost-Reimbursable	55%	53%	55%	53%
Time-and-Materials	24%	25%	24%	25%
Fixed-Price	21%	22%	21%	22%

Booz | Allen | Hamilton

EARNINGS CALL PRESENTATION

Fiscal Year 2024, Third Quarter

January 26, 2024

CONSULTING | ANALYTICS | DIGITAL SOLUTIONS | ENGINEERING | CYBER

CALL PARTICIPANTS

HORACIO ROZANSKI

President and Chief Executive Officer

MATT CALDERONE

Chief Financial Officer

NATHAN RUTLEDGE

Director & Head of Investor Relations

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, 2023, 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, Free Cash Flow Conversion, and Net Leverage Ratio, 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 provided by operating activities to Free Cash Flow and Free Cash Flow Conversion, and net debt to Net Leverage Ratio 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, (iii) use Free Cash Flow, Free Cash Flow Conversion, and Net Leverage Ratio, 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, and (iv) use Net Leverage Ratio in addition to, and not as an alternative to, net debt as a measure of Booz Allen's debt leverage. 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, Free Cash Flow Conversion, and Net Leverage Ratio 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", 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 2024. 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 2024 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.

KEY FINANCIAL RESULTS

THIRD QUARTER FISCAL YEAR 2024 RESULTS

	THIRD QUARTER [1]		FISCAL YEAR-TO-DATE (12/31/23) [1]	
Revenue	$2.6 billion	+12.9%	$7.9 billion	+15.6%
Revenue, Excluding Billable Expenses	$1.8 billion	+13.0%	$5.5 billion	+14.7%
Net Income	$146 million	+374.6%	$478 million	+40.7%
Adjusted EBITDA[2]	$291 million	+19.1%	$888 million	+13.5%
Adjusted EBITDA Margin on Revenue[2]	11.3%	+5.6%	11.3%	(1.7)%
Adjusted Net Income	$184 million	+29.4%	$547 million	+16.0%
Diluted EPS	$1.11	+382.6%	$3.62	+42.5%
Adjusted Diluted EPS	$1.41	+31.8%	$4.17	+17.5%
Net Cash Provided by Operating Activities	$234 million	68.8%	$115 million	(68.5)%

(1) Comparisons are to prior fiscal year period.
(2) Reconciliations of Adjusted EBITDA and Adjusted EBITDA Margin on Revenue can be found on Slide 12. Net Income attributable to common stockholders was $145.6 million and $477.8 million for the three and nine months ended December 31, 2023, respectively. Net income margin attributable to common stockholders was 5.7% and 6.0% for the three and nine months ended December 31, 2023, respectively.

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

$2.0–3.5B

Page 4 intentionally repeated

KEY FINANCIAL RESULTS

THIRD QUARTER FISCAL YEAR 2024 RESULTS

	THIRD QUARTER (1)		FISCAL YEAR-TO-DATE (12/31/23) (1)	
Revenue	$2.6 billion	+12.9%	$7.9 billion	+15.6%
Revenue, Excluding Billable Expenses	$1.8 billion	+13.0%	$5.5 billion	+14.7%
Net Income	$146 million	+374.6%	$478 million	+40.7%
Adjusted EBITDA[2]	$291 million	+19.1%	$888 million	+13.5%
Adjusted EBITDA Margin on Revenue[2]	11.3%	+5.6%	11.3%	(1.7)%
Adjusted Net Income	$184 million	+29.4%	$547 million	+16.0%
Diluted EPS	$1.11	+382.6%	$3.62	+42.5%
Adjusted Diluted EPS	$1.41	+31.8%	$4.17	+17.5%
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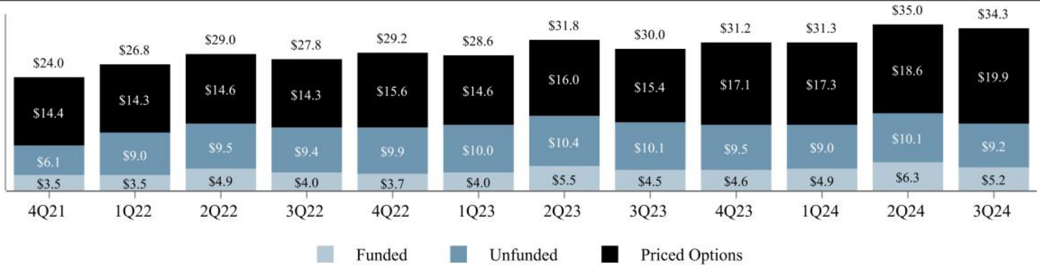
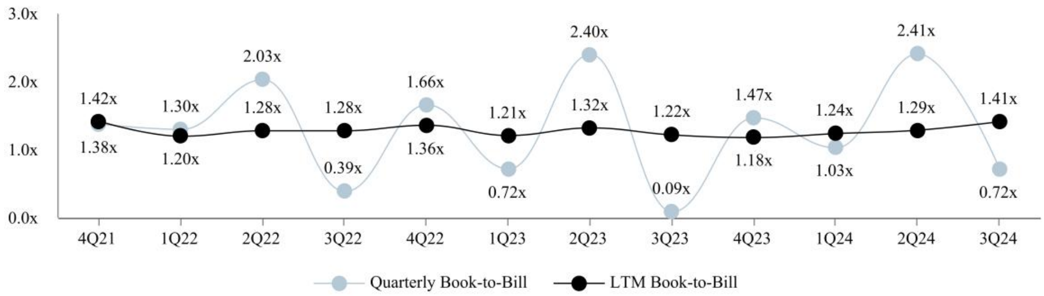
HISTORICAL BACKLOG & BOOK-TO-BILL

BACKLOG ($ IN BILLIONS) [1]



BOOK-TO-BILL TRENDS



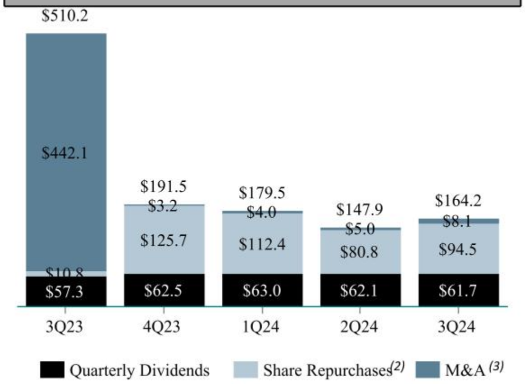
(1) For more information on the components of backlog, and the differences between backlog and remaining performance obligations, please see the Company's Form 10-K for the fiscal year ended March 31, 2023; totals may not sum due to rounding.

CAPITAL ALLOCATION

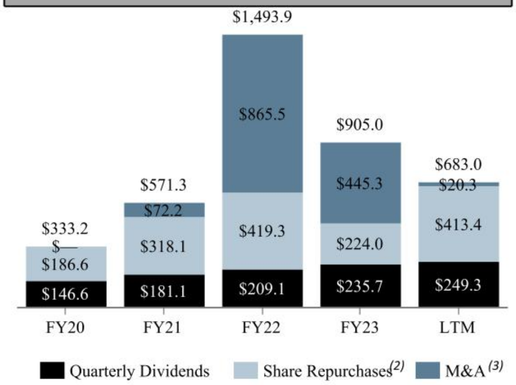
DELIVERING STRONG CAPITAL RETURNS THROUGH EFFICIENT CAPITAL DEPLOYMENT STRATEGY

- Our multi-year capital deployment plan follows a disciplined and opportunistic approach, subject to market conditions
- In Q3 FY 2024, we deployed approximately $164.2 million:
  - $61.7 million through quarterly dividends;
  - $94.5 million through share repurchases; and
  - $8.1 million through strategic investments and acquisitions
- The Board authorized a dividend of $0.51 per share payable on March 1, 2024 to stockholders of record on February 12, 2024
- Share repurchase authorization capacity is $583.2 million available as of December 31, 2023
- Our capital allocation priorities remain: operating needs, quarterly dividend, strategic M&A, share repurchases, and debt repayment

QUARTERLY CAPITAL DEPLOYMENT ($ IN MILLIONS)(1)



HISTORICAL CAPITAL DEPLOYMENT ($ IN MILLIONS)(1)



(1) Totals may not sum due to rounding.
(2) Includes share repurchases transacted but not settled and paid.
(3) Represents payments for strategic investments, net of cash acquired.

FINANCIAL OUTLOOK

FULL YEAR FISCAL 2024 GUIDANCE[1]

OPERATING PERFORMANCE	Updated Fiscal Year 2024 Guidance	Prior Fiscal Year 2024 Guidance
Revenue Growth	14.0% – 15.0%	11.0% – 14.0%
Adjusted EBITDA	$1,155 – $1,175 million	$1,115 – $1,145 million
Adjusted EBITDA Margin on Revenue	~11%	High 10% to 11%
Adjusted Diluted EPS	$5.25 – $5.40	$4.95 – $5.10
Updated Net Cash Provided by Operating Activities[2]	$200 – $275 million	$160 – $260 million

KEY ASSUMPTIONS	Updated Fiscal Year 2024 Assumptions	Prior Fiscal Year 2024 Assumptions
Inorganic Revenue Contributions	~1.0%	~1.0%
Effective Tax Rate	22% – 23%	23% – 25%
Average Diluted Shares Outstanding	129 – 131 million	129 – 131 million
Interest Expense	$170 – $180 million	$170 – $180 million
Depreciation and Amortization	~$165 million	~$165 million
Cash Taxes Related to Section 174	~$125 million	~$100 million
Capital Expenditures	$75 – $95 million	$75 – $95 million

(1) Reconciliations omitted in reliance on Item 10(e)(1)(i)(B) of Regulation S-K. See "Disclaimer."
(2) Reflects estimated net impact of settlement with the Department of Justice.

APPENDIX

NON-GAAP FINANCIAL INFORMATION

- "Revenue, Excluding Billable Expenses" represents revenue less billable expenses. Booz Allen uses 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 its client staff headcount and its overall direct labor, which management believes provides useful information to its investors about its core operations.
- "Adjusted Operating Income" represents operating income before the change in provision for claimed indirect costs, acquisition and divestiture costs, financing transaction costs, significant acquisition amortization, and the reserve associated with the U.S. Department of Justice investigation disclosed in Note 15 to the Condensed Consolidated Financial Statements in the Company's Form 10-Q for the quarter ended December 31, 2023. Booz Allen prepares Adjusted Operating Income to eliminate the impact of items it does not consider indicative of ongoing operating performance due to their inherent unusual, extraordinary or non-recurring nature or because they result from an event of a similar nature.
- "Adjusted EBITDA" represents net income (loss) attributable to common stockholders before income taxes, net interest and other expense and depreciation and amortization and before certain other items, including the change in provision for claimed indirect costs, acquisition and divestiture costs, financing transaction costs, and the reserve associated with the U.S. Department of Justice investigation disclosed in Note 15 to the Condensed Consolidated Financial Statements in the Company's Form 10-Q for the quarter ended December 31, 2023, and restructuring costs. "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. Booz Allen prepares Adjusted EBITDA, Adjusted EBITDA Margin on Revenue, and Adjusted EBITDA Margin on Revenue, Excluding Billable Expenses to eliminate the impact of items it does not consider indicative of ongoing operating performance due to their inherent unusual, extraordinary or non-recurring nature or because they result from an event of a similar nature.
- "Adjusted Net Income" represents net income attributable to common stockholders before: (i) the change in provision for claimed indirect costs, (ii) acquisition and divestiture costs, (iii) financing transaction costs, (iv) significant acquisition amortization, (v) the reserve associated with the U.S. Department of Justice investigation disclosed in Note 15 to the Condensed Consolidated Financial Statements in the Company's Form 10-Q for the quarter ended December 31, 2023, (vi) gains associated with divestitures or deconsolidation, and (vii) amortization and write-off of debt issuance costs and debt discount, in each case net of the tax effect where appropriate calculated using an assumed effective tax rate. Booz Allen prepares Adjusted Net Income to eliminate the impact of items, net of tax, 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. Booz Allen views Adjusted Net Income as an important indicator of performance consistent with the manner in which management measures and forecasts the Company's performance and the way in which management is incentivized to perform.
- "Adjusted Diluted EPS" represents diluted EPS calculated using Adjusted Net Income as opposed to net income. Additionally, Adjusted Diluted EPS does not contemplate any adjustments to net income as required under the two-class method as disclosed in the footnotes to the consolidated financial statements of the Company's Form 10-K for the fiscal year ended March 31, 2023.
- "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.
- "Net Leverage Ratio" is calculated as net debt (total debt less cash) divided by Adjusted EBITDA over the prior twelve months.

NON-GAAP FINANCIAL INFORMATION (Unaudited)

(In thousands, except share and per share data)	Three Months Ended December 31, 2023	Three Months Ended December 31, 2022	Nine Months Ended December 31, 2023	Nine Months Ended December 31, 2022
Revenue, Excluding Billable Expenses				
Revenue	$ 2,569,801	$ 2,277,074	$ 7,890,569	$ 6,825,650
Less: Billable expenses	799,896	710,526	2,436,988	2,069,733
Revenue, Excluding Billable Expenses*	$ 1,769,905	$ 1,566,548	$ 5,453,581	$ 4,755,917
Adjusted Operating Income				
Operating Income	$ 247,558	$ 58,640	$ 748,965	$ 489,756
Change in provision for claimed indirect costs (a)	—	—	(18,345)	—
Acquisition and divestiture costs (b)	1,952	19,096	5,480	40,121
Financing transaction costs (c)	—	—	820	6,888
Significant acquisition amortization (d)	13,597	14,101	40,301	36,275
Legal matter reserve (e)	—	124,000	27,453	124,000
Adjusted Operating Income	$ 263,107	$ 215,837	$ 804,674	$ 697,040
EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin on Revenue & Adjusted EBITDA Margin on Revenue, Excluding Billable Expenses				
Net income attributable to common stockholders	$ 145,644	$ 30,997	$ 477,750	$ 340,213
Income tax expense	61,740	10,539	156,291	103,286
Interest and other, net (f)	40,174	17,412	114,924	46,907
Depreciation and amortization	41,113	42,046	123,867	121,200
EBITDA	288,671	100,994	872,832	611,606
Change in provision for claimed indirect costs (a)	—	—	(18,345)	—
Acquisition and divestiture costs (b)	1,952	19,096	5,480	40,121
Financing transaction costs (c)	—	—	820	6,888
Legal matter reserve (e)	—	124,000	27,453	124,000
Adjusted EBITDA	$ 290,623	$ 244,090	$ 888,240	$ 782,615
Net income margin attributable to common stockholders	5.7 %	1.4 %	6.1 %	5.0 %
Adjusted EBITDA Margin on Revenue	11.3 %	10.7 %	11.3 %	11.5 %
Adjusted EBITDA Margin on Revenue, Excluding Billable Expenses	16.4 %	15.6 %	16.3 %	16.5 %

* Revenue, Excluding Billable Expenses includes $18.3 million of revenue resulting from the reduction to our provision for claimed indirect costs as noted on slide 14.

NON-GAAP FINANCIAL INFORMATION (Unaudited)

	Three Months Ended December 31,		Nine Months Ended December 31,	
Adjusted Net Income				
Net income attributable to common stockholders	$ 145,644	$ 30,997	$ 477,750	$ 340,213
Change in provision for claimed indirect costs (a)	—	—	(18,345)	—
Acquisition and divestiture costs (b)	1,952	19,096	5,480	40,121
Financing transaction costs (c)	—	—	820	6,888
Significant acquisition amortization (d)	13,597	14,101	40,301	36,275
Legal matter reserve (e)	—	124,000	27,453	124,000
Gains associated with divestitures or deconsolidation (g)	—	(13,472)	—	(44,632)
Amortization or write-off of debt issuance costs and debt discount	1,062	780	2,950	5,780
Adjustments for tax effect (h)	22,048	(33,020)	10,094	(37,518)
Adjusted Net Income	$ 184,303	$ 142,482	$ 546,503	$ 471,127
Adjusted Diluted Earnings Per Share				
Weighted-average number of diluted shares outstanding	$ 130,489,050	$ 132,759,877	$ 131,058,754	$ 132,831,569
Diluted earnings per share	$ 1.11	$ 0.23	$ 3.62	$ 2.54
Adjusted Net Income Per Diluted Share (i)	$ 1.41	$ 1.07	$ 4.17	$ 3.55
Free Cash Flow				
Net cash provided by operating activities	233,985	138,582	115,068	365,674
Less: Purchases of property, equipment and software	(23,096)	(21,664)	(50,532)	(51,398)
Free Cash Flow	$ 210,889	$ 116,918	$ 64,536	$ 314,276
Operating cash flow conversion	161 %	447 %	24 %	107 %
Free cash flow conversion	114 %	82 %	12 %	67 %

NON-GAAP FINANCIAL INFORMATION (Unaudited)

(a) Represents the reduction to our provision for claimed indirect costs recorded during the second quarter of fiscal 2024, which resulted in a corresponding increase to revenue, as a result of the Defense Contract Audit Agency's findings related to its audit of our claimed indirect costs for fiscal 2022. See Note 15, "Commitments and Contingencies," to the condensed consolidated financial statements in the Company's Form 10-Q for the quarter ended December 31, 2023 for further information.

(b) Represents costs associated with the acquisition efforts of the Company related to transactions for which the Company has entered into a letter of intent to acquire a controlling financial interest in the target entity, as well as the divestiture costs incurred in divesting a portion of our business. Acquisition and divestiture costs primarily include costs associated with (i) buy-side and sell-side due diligence activities, (ii) compensation expenses associated with employee retention, and (iii) legal and advisory fees, primarily associated with the acquisitions of Liberty IT Solutions, LLC ("Liberty") and Tracepoint Holdings, LLC ("Tracepoint") in fiscal 2022, and the acquisition of EverWatch Corp. ("EverWatch") and the divestitures of our management consulting business serving the Middle East and North Africa ("MENA") and our Managed Threat Services business ("MTS") in fiscal 2023. See Note 5, "Acquisition, Goodwill and Intangible Assets," to the condensed consolidated financial statements in the Company's Form 10-Q for the quarter ended December 31, 2023 for further information.

(c) Reflects expenses associated with debt financing activities incurred during the second quarters of fiscal 2024 and 2023.

(d) Amortization expense associated with acquired intangibles from significant acquisitions. Significant acquisitions include acquisitions which the Company considers to be beyond the scope of our normal operations. Significant acquisition amortization includes amortization expense associated with the acquisition of Liberty in the second quarter of fiscal 2022 and EverWatch in the third quarter of fiscal 2023.

(e) Reserve associated with the U.S. Department of Justice's investigation of the Company. See Note 15, "Commitments and Contingencies," to the condensed consolidated financial statements in the Company's Form 10-Q for the quarter ended December 31, 2023 for further information.

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

(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. The tax effect also includes the indirect effects of uncertainty around the application of Section 174 of the Tax Cuts and Jobs Act of 2017 ($26.0 million and $22.0 million for the three and nine months ended December 31, 2023, respectively). See Note 10, "Income Taxes," to the condensed consolidated financial statements in the Company's Form 10-Q for the quarter ended December 31, 2023 for further information.

(i) Excludes adjustments of approximately $1.2 million and $3.9 million of net earnings for the three and nine months ended December 31, 2023, respectively, and approximately $0.5 million and $2.6 million of net earnings for the three and nine months ended December 31, 2022, respectively, associated with the application of the two-class method for computing diluted earnings per share.

NON-GAAP FINANCIAL INFORMATION (Unaudited)

(In thousands, except share and per share data)	Three Months Ended December 31, 2023	Three Months Ended September 30, 2023	Three Months Ended June 30, 2023	Three Months Ended March 31, 2023
Net income (loss) attributable to common stockholders	$ 145,644	$ 170,718	$ 161,388	$ (68,422)
Income tax (benefit) expense	61,740	55,071	39,480	(6,552)
Interest and other, net (a)	40,174	41,200	33,550	31,992
Depreciation and amortization	41,113	40,907	41,847	44,284
EBITDA	$ 288,671	$ 307,896	$ 276,265	$ 1,302
Change in provision for claimed indirect costs (b)	—	(18,345)	—	—
Acquisition and divestiture costs (c)	1,952	260	3,268	4,148
Financing transaction costs (d)	—	820	—	—
Legal matter reserve (e)	—	—	27,453	226,000
Adjusted EBITDA	$ 290,623	$ 290,631	$ 306,986	$ 231,450
Last 12 months Adjusted EBITDA	$ 1,119,690			
Total Debt	$ 3,421,106			
Less: Cash	601,813			
Net Debt	$ 2,819,293			
Net Leverage Ratio (g)	2.5			

	Three Months Ended December 31, 2022	Three Months Ended September 30, 2022	Three Months Ended June 30, 2022	Three Months Ended March 31, 2022
Net income attributable to common stockholders	$ 30,997	$ 170,932	$ 138,284	$ 90,873
Income tax expense	10,539	51,258	41,489	33,897
Interest and other, net (a)	17,412	1,882	27,613	23,653
Depreciation and amortization	42,046	39,052	40,102	40,824
EBITDA	$ 100,994	$ 263,124	$ 247,488	$ 189,247
Acquisition and divestiture costs (c)	19,096	15,932	5,093	11,670
Financing transaction costs (d)	—	6,888	—	—
Legal matter reserve (e)	124,000	—	—	—
Restructuring costs (f)	—	—	—	4,164
Adjusted EBITDA	$ 244,090	$ 285,944	$ 252,581	$ 205,081
Last 12 months Adjusted EBITDA	$ 987,696			
Total Debt	$ 2,821,711			
Less: Cash	370,939			
Net Debt	$ 2,450,772			
Net Leverage Ratio (g)	2.5			

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

(b) Represents the reduction to our provision for claimed indirect costs recorded during the second quarter of fiscal 2024, which resulted in a corresponding increase to revenue, as a result of the Defense Contract Audit Agency's findings related to its audit of our claimed indirect costs for fiscal 2022. See Note 15, "Commitments and Contingencies," to the condensed consolidated financial statements in the Company's Form 10-Q for the quarter ended December 31, 2023 for further information.

(c) 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 and Tracepoint in fiscal 2022, and the acquisition of EverWatch and the divestitures of our MENA business and MTS business in fiscal 2023. See Note 5, "Acquisition, Goodwill and Intangible Assets," to the condensed consolidated financial statements in the Company's Form 10-Q for the quarter ended December 31, 2023 for further information.

(d) Reflects expenses associated with debt financing activities incurred during the second quarters of fiscal 2024 and 2023.

(e) Reserve associated with the U.S. Department of Justice's investigation of the Company. See Note 15, "Commitments and Contingencies," to the condensed consolidated financial statements in the Company's Form 10-Q for the quarter ended December 31, 2023 for further information.

(f) Represents restructuring charges of $8.3 million incurred during the fourth quarter of fiscal 2022, net of approximately $4.2 million of revenue recognized on recoverable expenses, associated with severance costs of a restructuring plan to reduce certain executive administrative personnel costs.

(g) "Net Leverage Ratio" is calculated as net debt (total debt less cash) divided by Adjusted EBITDA over the prior twelve months.

FINANCIAL RESULTS – KEY DRIVERS

Third Quarter Fiscal 2024 – Below is a summary of the key factors driving results for the fiscal 2024 third quarter ended December 31, 2023 as compared to the prior year period:

- Revenue increased 12.9% to $2.6 billion and Revenue, Excluding Billable Expenses increased 13.0% to $1.8 billion. Revenue growth was primarily driven by strong demand for our services and solutions as well as continued headcount growth.
- Operating income increased 322.2% to $247.6 million and Adjusted Operating Income increased 21.9% to $263.1 million. The increase was primarily driven by the same drivers benefiting revenue growth as well as strong contract-level performance coupled with ongoing cost management efforts. In addition, fiscal 2023 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. 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 increased 374.6% to $145.6 million and net income attributable to common stockholders increased 369.9% to $145.6 million. These changes were primarily driven by the same factors as operating income, partially offset by a net gain in the prior year 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. In addition, an increase in the provision for income taxes associated with the reversal of an uncertain tax position related to Section 174 of the Tax Cuts and Jobs Act of 2017 had a negative impact on net income. Adjusted Net Income increased 29.4% to $184.3 million. The change in Adjusted Net Income was primarily driven by the same factors as Adjusted Operating Income, as well as higher interest expense.
- EBITDA increased 185.8% to $288.7 million and Adjusted EBITDA increased 19.1% to $290.6 million. These changes were due to the same factors as operating income and Adjusted Operating Income, respectively.
- Diluted EPS increased to $1.11 from $0.23 and Adjusted Diluted EPS increased to $1.41 from $1.07. The changes were primarily driven by the same factors as net income and Adjusted Net Income, respectively, partially offset by a lower share count in the third quarter of fiscal 2024.
- Net cash used in operating activities was $234.0 million for the quarter ended December 31, 2023, as compared to $138.6 million in the prior year. Free Cash Flow was $210.9 million for the quarter ended December 31, 2023, as compared to $116.9 million in the prior year. Operating cash was aided by strong collection performance and overall revenue growth.