

**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): **October 28, 2022**

**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 2.02 Results of Operations and Financial Condition.**

On October 28, 2022, Booz Allen Hamilton Holding Corporation (the “Company”) issued a press release announcing its results of operations for the fiscal quarter ended September 30, 2022. A copy of the press release is attached hereto as Exhibit 99.1.

On October 28, 2022, 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.**

<u>Exhibit No.</u>	<u>Description</u>
99.1	<a href="#">Press Release dated October 28, 2022</a>
99.2	<a href="#">Earnings Conference Call Presentation</a>
104	The cover page of this Current Report on Form 8-K, formatted as inline XBRL.

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**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: October 28, 2022

## BOOZ ALLEN HAMILTON ANNOUNCES SECOND QUARTER FISCAL 2023 RESULTS

- + Excellent Second Quarter and First Half Performance with Industry-Leading Organic Growth
- + Company Raises Full-Year Guidance at the Top and Bottom Lines
- + Quarterly Revenue Increase of 9.2 percent over the Prior Year Period to \$2.3 billion, and Revenue, Excluding Billable Expenses<sup>1</sup> Growth of 10.1 percent
- + Quarterly Diluted Earnings Per Share of \$1.28 and Adjusted Diluted Earnings Per Share<sup>1</sup> of \$1.34
- + 9.8 percent Increase in Quarterly Backlog to \$31.8 billion; Quarterly Book-to-Bill of 2.40x
- + Quarterly Dividend of \$0.43 per Share

"Our exceptional second quarter performance positions us well to achieve our multi-year goals. As we accelerate into our VoLT strategy, we continue to build strategic momentum across the business backed by strong operational resilience, positioning Booz Allen to again deliver industry-leading growth while navigating a dynamic external environment."

— HORACIO ROZANSKI  
President and Chief Executive Officer

McLean, Virginia; October 28, 2022 - 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 preliminary results for the second quarter of fiscal year 2023.

The Company delivered an excellent second quarter and first half of fiscal 2023, reporting strong Adjusted EBITDA<sup>1</sup> and EBITDA<sup>1</sup> margins, Revenue and Revenue, Excluding Billable Expenses<sup>1</sup>, quarterly backlog growth, headcount growth, and cash flow, aligned with its three-year Investment Thesis. The Company continues to demonstrate momentum under its VoLT (Velocity, Leadership, Technology) growth strategy, positioning itself for a solid second half and strong full fiscal year performance at the top and bottom line. The Company raised its full-fiscal year guidance announced in May 2022.

The Company reported the following second quarter fiscal year 2023 results as compared to second quarter fiscal year 2022: quarterly revenue growth of 9.2 percent and a 10.1 percent quarterly increase in Revenue, Excluding Billable Expenses<sup>1</sup>; Net Income increased by 10.3 percent to \$170.8 million, net income attributable to common stockholders increased by 10.4 percent to \$170.9 million, and Adjusted Net Income<sup>1</sup> increased by 4.5 percent to \$177.8 million. Operating income increased 2.5 percent to \$223.9 million; Adjusted EBITDA<sup>1</sup> increased 6.0 percent to \$285.9 million; Adjusted EBITDA Margin on Revenue<sup>1</sup> was 12.4 percent; and Diluted EPS was \$1.28, up \$0.14 or 12.3 percent, while Adjusted Diluted EPS<sup>1</sup> was \$1.34, up by \$0.08 or 6.3 percent.

Compared to the second quarter fiscal 2022, the second quarter fiscal 2023 total backlog increased by 9.8 percent to \$31.8 billion and the quarterly book-to-bill ratio was 2.40x. As of September 30, 2022, total headcount was 784 higher than at the end of the prior year period, an increase of 2.7 percent, and 721 higher than the end of the prior quarter.

### FINANCIAL SUMMARY

*Second quarter ended September 30, 2022* - A summary of Booz Allen's results for the second quarter of fiscal 2023 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 second quarter posted on [investors.boozallen.com](https://investors.boozallen.com).

### SECOND QUARTER FY23

(changes are compared to prior year period)

<b>REVENUE:</b>	
\$2.30B	+9.2 %
<b>EX. BILLABLE EXPENSES<sup>1</sup>:</b>	
\$1.61B	+10.1 %
<b>OPERATING INCOME:</b>	
\$223.9M	+2.5 %
<b>ADJ. OPERATING INCOME<sup>1</sup>:</b>	
\$257.8M	+5.7 %
<b>NET INCOME:</b>	
\$170.8M	+10.3 %
<b>NET INCOME ATTRIBUTABLE TO COMMON STOCKHOLDERS:</b>	
\$170.9M	+10.4 %
<b>ADJUSTED NET INCOME<sup>1</sup>:</b>	
\$177.8M	+4.5 %
<b>EBITDA:</b>	
\$263.1M	+2.8 %
<b>ADJUSTED EBITDA<sup>1</sup>:</b>	
\$285.9M	+6.0 %
<b>DILUTED EPS:</b>	
\$1.28	up from \$1.14
<b>ADJUSTED DILUTED EPS<sup>1</sup>:</b>	
\$1.34	up from \$1.26

For the first half of fiscal 2023, net cash provided by operating activities was \$227.1 million, as compared to \$459.7 million in the prior year period. Free cash flow<sup>1</sup> for the first half of fiscal 2023 was \$197.4 million, as compared to \$430.1 million in the prior year period.

The Company declared a regular quarterly dividend of \$0.43 per share, which is payable on December 2, 2022 to stockholders of record on November 15, 2022.

## FINANCIAL OUTLOOK

The Company is updating its original fiscal year 2023 guidance, as noted in the table below:

OPERATING PERFORMANCE	UPDATED FISCAL 2023 GUIDANCE	ORIGINAL FISCAL 2023 GUIDANCE
Revenue Growth <sup>1</sup>	8.0 – 10.0%	5.0 – 9.0%
Adjusted EBITDA <sup>1</sup>	\$975 – \$1,015 million	\$950 – \$1,000 million
Adjusted EBITDA Margin on Revenue	High 10% to Low 11%	Mid-to-High 10%
Adjusted Diluted EPS <sup>2</sup>	\$4.25 – \$4.50	\$4.15 – \$4.45
Net Cash Provided by Operating Activities <sup>3</sup>	\$875 – \$950 million	\$850 – \$950 million

## CONFERENCE CALL INFORMATION

Booz Allen Hamilton will host a conference call at 8 a.m. EDT on Friday, October 28, 2022, to discuss the financial results for its second quarter fiscal 2023. Analysts and institutional investors may participate on the call by registering online at [investors.boozallen.com](https://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](https://investors.boozallen.com). A replay of the conference call will be available online at [investors.boozallen.com](https://investors.boozallen.com) beginning at 11 a.m. EDT on October 28, 2022 and continuing for 30 days.

<sup>1</sup> Revenue, Excluding Billable Expenses, Adjusted Operating Income, Adjusted Net Income, Adjusted EBITDA, Adjusted Diluted EPS, Adjusted EBITDA Margin on Revenue and Free Cash Flow are non-GAAP financial measures. See "Non-GAAP Financial Information" below for additional detail. Approximately 1% to 2% of the targeted growth in revenue includes Liberty, Tracepoint and EverWatch, partially offset by the MENA divestiture. Original guidance assumed inorganic contributions of approximately 1%.

<sup>2</sup> Assumes an effective tax rate of 23–25%; average diluted shares outstanding of 131–133 million, and interest expense of \$117–\$122 million, while original guidance assumed interest expense of \$108–\$117 million.

<sup>3</sup> Excludes approximately \$315 million of net cash taxes we expect to pay in fiscal year 2023, which includes approximately \$140 million associated with our interpretation of the current Section 174 legislation. Inclusive of cash to be paid for income taxes, we anticipate our total Operating Cash Flow for fiscal year 2023 will be between \$560 million to \$635 million. Original guidance assumed \$550 million dollars of cash taxes in fiscal year 2023.

## ABOUT BOOZ ALLEN HAMILTON

For more than 100 years, military, government, and business leaders have turned to Booz Allen Hamilton to solve their most complex problems. As a consulting firm with experts in analytics, digital solutions, engineering, and cyber, we help organizations transform. We are a key partner on some of the most innovative programs for governments worldwide and trusted by their most sensitive agencies. We work shoulder-to-shoulder with clients, using a mission-first approach to choose the right strategy and technology to help them realize their vision.

With global headquarters in McLean, Virginia, our firm employs approximately 30,000 people globally as of September 30, 2022, and had revenue of \$8.4 billion for the 12 months ended March 31, 2022. To learn more, visit [www.boozallen.com](https://www.boozallen.com). (NYSE: BAH)

## FIRST HALF FY23

(changes are compared to prior year period)

<b>REVENUE:</b>	
<b>\$4.55B</b>	<b>+11.1 %</b>
<b>EX. BILLABLE EXPENSES<sup>1</sup>:</b>	
<b>\$3.19B</b>	<b>+10.0 %</b>
<b>OPERATING INCOME:</b>	
<b>\$431.1M</b>	<b>+19.9 %</b>
<b>ADJ. OPERATING INCOME<sup>1</sup>:</b>	
<b>\$481.2M</b>	<b>+5.3 %</b>
<b>NET INCOME:</b>	
<b>\$308.9M</b>	<b>+25.1 %</b>
<b>NET INCOME ATTRIBUTABLE TO COMMON STOCKHOLDERS:</b>	
<b>\$309.2M</b>	<b>+25.2 %</b>
<b>ADJUSTED NET INCOME<sup>1</sup>:</b>	
<b>\$328.6M</b>	<b>+4.0 %</b>
<b>EBITDA:</b>	
<b>\$510.6M</b>	<b>+20.2 %</b>
<b>ADJUSTED EBITDA<sup>1</sup>:</b>	
<b>\$538.5M</b>	<b>+6.1 %</b>
<b>DILUTED EPS:</b>	
<b>\$2.31</b>	<b>up from \$1.81</b>
<b>ADJUSTED DILUTED EPS<sup>1</sup>:</b>	
<b>\$2.47</b>	<b>up from \$2.33</b>

## 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 acquisition and divestiture costs, financing transaction costs, and significant acquisition amortization. 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 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, restructuring costs, and supplemental employee benefits related to COVID-19. "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) acquisition and divestiture costs, (ii) financing transaction costs, (iii) significant acquisition amortization, (iv) gain on consolidation of equity method investment, (v) amortization and write-off of debt issuance costs and debt discount, and (vi) gain on sale or divestiture, 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, 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.

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

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, and Adjusted Diluted EPS 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, and Adjusted Diluted EPS 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, and Net Leverage Ratio 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 used in 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 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 used in 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 2023. Projecting future stock price, equity grants and

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.

In addition, our expectations for Adjusted EBITDA and Adjusted EBITDA Margin on Revenue for fiscal 2023 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.

#### 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 due to uncertainty relating to funding of the U.S. government and a possible failure of Congressional efforts to approve such funding of the U.S. government beyond December 16, 2022 and to craft a long-term agreement on the U.S. government's ability to incur indebtedness in excess of its current limits, or changes in the pattern or timing of government funding and spending;
- 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 COVID-19, and other pandemics or widespread health epidemics, including disruptions to our workforce and the impact on government spending and demand for our solutions, as well as the impact of our Company policy requiring full COVID-19 vaccinations of all employees, except for employees who qualify for medical or religious exemptions;
- 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 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 use or release of 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 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 size of our addressable markets and the amount of U.S. government spending on private contractors;
- 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;
- 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 20, 2022. 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 September 30,		Six Months Ended September 30,	
	2022	2021	2022	2021
	(unaudited)		(unaudited)	
(Amounts in thousands, except per share data)				
<b>Revenue</b>	\$ 2,298,976	\$ 2,106,038	\$ 4,548,576	\$ 4,095,104
<b>Operating costs and expenses:</b>				
Cost of revenue	1,057,450	947,689	2,132,423	1,910,408
Billable expenses	684,941	640,120	1,359,207	1,195,665
General and administrative expenses	293,612	262,260	546,676	564,060
Depreciation and amortization	39,052	37,602	79,154	65,347
Total operating costs and expenses	2,075,055	1,887,671	4,117,460	3,735,480
<b>Operating income</b>	223,921	218,367	431,116	359,624
Interest expense	(28,342)	(24,254)	(52,997)	(45,524)
Other income, net	26,460	6,848	23,502	6,315
<b>Income before income taxes</b>	222,039	200,961	401,621	320,415
Income tax expense	51,258	46,127	92,747	73,479
Net income	\$ 170,781	\$ 154,834	\$ 308,874	\$ 246,936
Net loss attributable to non-controlling interest	151	—	342	—
<b>Net income attributable to common stockholders</b>	170,932	154,834	309,216	246,936
<b>Earnings per common share:</b>				
Basic	\$ 1.28	\$ 1.14	\$ 2.32	\$ 1.82
Diluted	\$ 1.28	\$ 1.14	\$ 2.31	\$ 1.81

## Exhibit 2

### Booz Allen Hamilton Holding Corporation Condensed Consolidated Balance Sheets

(Amounts in thousands, except share and per share data)	September 30, 2022 (Unaudited)	March 31, 2022
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 756,520	\$ 695,910
Accounts receivable, net	1,655,774	1,622,989
Prepaid expenses and other current assets	305,753	126,777
Total current assets	<u>2,718,047</u>	<u>2,445,676</u>
Property and equipment, net of accumulated depreciation	191,247	202,229
Operating lease right-of-use assets	198,656	227,231
Intangible assets, net of accumulated amortization	607,235	646,682
Goodwill	2,014,890	2,021,931
Other long-term assets	475,582	481,826
Total assets	<u>\$ 6,205,657</u>	<u>\$ 6,025,575</u>
<b>Liabilities and stockholders' equity</b>		
Current liabilities:		
Current portion of long-term debt	\$ 41,250	\$ 68,379
Accounts payable and other accrued expenses	944,759	902,616
Accrued compensation and benefits	394,152	438,634
Operating lease liabilities	54,983	52,334
Other current liabilities	65,036	71,991
Total current liabilities	<u>1,500,180</u>	<u>1,533,954</u>
Long-term debt, net of current portion	2,790,011	2,731,693
Operating lease liabilities, net of current portion	212,129	247,070
Deferred tax liabilities	—	239,602
Other long-term liabilities	484,802	226,535
Total liabilities	<u>4,987,122</u>	<u>4,978,854</u>
Stockholders' equity:		
Common stock, Class A — \$0.01 par value — authorized, 600,000,000 shares; issued, 165,110,617 shares at September 30, 2022 and 164,372,545 shares at March 31, 2022; outstanding, 132,314,959 shares at September 30, 2022 and 132,584,348 shares at March 31, 2022	1,651	1,646
Treasury stock, at cost — 32,795,658 shares at September 30, 2022 and 31,788,197 shares at March 31, 2022	(1,722,881)	(1,635,454)
Additional paid-in capital	706,620	656,222
Retained earnings	2,208,952	2,015,071
Accumulated other comprehensive loss	22,141	8,585
Total Booz Allen stockholders' equity	<u>1,216,483</u>	<u>1,046,070</u>
Non-controlling interest	2,052	651
Total stockholders' equity	<u>1,218,535</u>	<u>1,046,721</u>
Total liabilities and stockholders' equity	<u>\$ 6,205,657</u>	<u>\$ 6,025,575</u>

### Exhibit 3

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

(Amounts in thousands)	Six Months Ended September 30,	
	2022	2021
<b>Cash flows from operating activities</b>		
Net income	\$ 308,874	\$ 246,936
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	79,154	65,347
Noncash lease expense	27,558	27,664
Stock-based compensation expense	32,222	28,428
Amortization of debt issuance costs	2,287	2,294
Loss on debt extinguishment	10,251	2,515
(Gains) losses on dispositions, and other	(30,151)	(3,018)
Gain on consolidation of equity method investment	—	(5,666)
Changes in assets and liabilities:		
Accounts receivable, net	(39,358)	(43,125)
Deferred income taxes and income taxes receivable / payable	(130,843)	59,350
Prepaid expenses and other current and long-term assets	(15,885)	(27,747)
Accrued compensation and benefits	(26,629)	(25,268)
Accounts payable and other accrued expenses	41,453	149,586
Other current and long-term liabilities	(31,841)	(17,550)
Net cash provided by operating activities	<u>227,092</u>	<u>459,746</u>
<b>Cash flows from investing activities</b>		
Purchases of property, equipment, and software	(29,734)	(29,675)
Payments for business acquisitions, net of cash acquired	—	(779,581)
Payments for cost method investments	—	(2,000)
Cash received from the sale of a business	44,063	—
Net cash provided by (used in) investing activities	<u>14,329</u>	<u>(811,256)</u>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of common stock	12,052	11,526
Stock option exercises	7,992	3,016
Repurchases of common stock	(103,266)	(232,381)
Cash dividends paid	(115,897)	(101,869)
Repayments on revolving credit facility, term loans, and Senior Notes	(396,443)	(78,067)
Net proceeds from debt issuance	414,751	487,027
Proceeds from revolving credit facility	—	60,000
Net cash (used in) provided by financing activities	<u>(180,811)</u>	<u>149,252</u>
Net increase (decrease) in cash and cash equivalents	60,610	(202,258)
Cash and cash equivalents — beginning of period	695,910	990,955
Cash and cash equivalents — end of period	<u>\$ 756,520</u>	<u>\$ 788,697</u>
<b>Supplemental disclosures of cash flow information</b>		
Net cash paid during the period for:		
Interest	\$ 42,936	\$ 27,658
Income taxes	\$ 215,767	\$ 15,249

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

	Three Months Ended September 30,		Six Months Ended September 30,	
	2022	2021	2022	2021
(In thousands, except share and per share data)				
<b>Revenue, Excluding Billable Expenses</b>				
Revenue	\$ 2,298,976	\$ 2,106,038	\$ 4,548,576	\$ 4,095,104
Less: Billable expenses	684,941	640,120	1,359,207	1,195,665
Revenue, Excluding Billable Expenses	<u>\$ 1,614,035</u>	<u>\$ 1,465,918</u>	<u>\$ 3,189,369</u>	<u>\$ 2,899,439</u>
<b>Adjusted Operating Income</b>				
Operating Income	\$ 223,921	\$ 218,367	\$ 431,116	\$ 359,624
Acquisition and divestiture costs (a)	15,932	13,680	21,025	80,469
Financing transaction costs (b)	6,888	—	6,888	2,348
Significant acquisition amortization (c)	11,087	11,868	22,174	14,526
Adjusted Operating Income	<u>\$ 257,828</u>	<u>\$ 243,915</u>	<u>\$ 481,203</u>	<u>\$ 456,967</u>
<b>EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin on Revenue &amp; Adjusted EBITDA Margin on Revenue, Excluding Billable Expenses</b>				
Net income attributable to common stockholders	\$ 170,932	\$ 154,834	\$ 309,216	\$ 246,936
Income tax expense	51,258	46,127	92,747	73,479
Interest and other, net (d)	1,882	17,406	29,495	39,209
Depreciation and amortization	39,052	37,602	79,154	65,347
EBITDA	<u>\$ 263,124</u>	<u>\$ 255,969</u>	<u>\$ 510,612</u>	<u>\$ 424,971</u>
Acquisition and divestiture costs (a)	15,932	13,680	21,025	80,469
Financing transaction costs (b)	6,888	—	6,888	2,348
Adjusted EBITDA	<u>\$ 285,944</u>	<u>\$ 269,649</u>	<u>\$ 538,525</u>	<u>\$ 507,788</u>
Adjusted EBITDA Margin on Revenue	12.4 %	12.8 %	11.8 %	12.4 %
Adjusted EBITDA Margin on Revenue, Excluding Billable Expenses	17.7 %	18.4 %	16.9 %	17.5 %
<b>Adjusted Net Income</b>				
Net income attributable to common stockholders	\$ 170,932	\$ 154,834	\$ 309,216	\$ 246,936
Acquisition and divestiture costs (a)	15,932	13,680	21,025	80,469
Financing transaction costs (b)	6,888	—	6,888	2,348
Significant acquisition amortization (c)	11,087	11,868	22,174	14,526
Gain on consolidation of equity method investment (e)	—	(5,666)	—	(5,666)
Amortization and write-off of debt issuance costs and debt discount	4,177	816	5,000	1,703
Gain on sale or divestiture (f)	(31,160)	—	(31,160)	—
Adjustments for tax effect (g)	(77)	(5,381)	(4,498)	(24,279)
Adjusted Net Income	<u>\$ 177,779</u>	<u>\$ 170,151</u>	<u>\$ 328,645</u>	<u>\$ 316,037</u>
<b>Adjusted Diluted Earnings Per Share</b>				
Weighted-average number of diluted shares outstanding	132,729,245	135,316,429	132,869,141	135,847,548
Adjusted Net Income Per Diluted Share (h)	\$ 1.34	\$ 1.26	\$ 2.47	\$ 2.33
<b>Free Cash Flow</b>				
Net cash provided by operating activities	\$ 272,726	\$ 470,408	\$ 227,092	\$ 459,746
Less: Purchases of property, equipment and software	(16,000)	(20,667)	(29,734)	(29,675)
Free Cash Flow	<u>\$ 256,726</u>	<u>\$ 449,741</u>	<u>\$ 197,358</u>	<u>\$ 430,071</u>
Free Cash Flow Conversion	144 %	264 %	60 %	136 %

- (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"), Tracepoint Holdings, LLC ("Tracepoint"), and EverWatch Corp. ("EverWatch"), as well as the divestiture of our management consulting business serving the Middle East and North Africa (the "MENA Divestiture").
- (b) Reflects expenses associated with debt financing activities incurred during the first quarter of fiscal 2022 and the 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.
- (d) Reflects the combination of Interest expense and Other income, net from the condensed consolidated statement of operations.
- (e) Represents the Company's remeasurement of its previously held equity method investment in Tracepoint to its fair value which resulted in a gain upon the acquisition of a controlling financial interest in Tracepoint.
- (f) Represents the gain recognized on the MENA Divestiture.
- (g) Reflects the tax effect of all adjustments, except the gain on sale of divestiture, 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 the gain on sale or divestiture is at an assumed effective tax rate of 32%.
- (h) Excludes adjustments of approximately \$1.4 million and \$2.3 million of net earnings for the three and six months ended September 30, 2022, respectively and excludes adjustments of approximately \$1.1 million and \$1.5 million of net earnings for the three and six months ended September 30, 2021, 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)**

	Three Months Ended September 30, 2022	Three Months Ended June 30, 2022	Three Months Ended March 31, 2022	Three Months Ended December 31, 2021
<small>(In thousands, except share and per share data)</small>				
Net income attributable to common stockholders	\$ 170,932	\$ 138,284	\$ 90,795	\$ 128,846
Income tax expense	51,258	41,489	33,897	30,090
Interest and other, net (a)	1,882	27,613	23,653	18,276
Depreciation and amortization	39,052	40,102	40,824	39,576
EBITDA	<u>\$ 263,124</u>	<u>\$ 247,488</u>	<u>\$ 189,169</u>	<u>\$ 216,788</u>
Acquisition and divestiture costs (b)	15,932	5,093	11,670	5,346
Financing transaction costs (c)	6,888	—	—	—
Restructuring costs (d)	—	—	4,164	—
<b>Adjusted EBITDA</b>	<u>\$ 285,944</u>	<u>\$ 252,581</u>	<u>\$ 205,003</u>	<u>\$ 222,134</u>
Last 12 months Adjusted EBITDA	<u>\$ 965,662</u>			
Total Debt	<u>\$ 2,831,261</u>			
Less: Cash	<u>756,520</u>			
Net Debt	<u>\$ 2,074,741</u>			
<b>Net Leverage Ratio</b>	<u>2.1</u>			

	Three Months Ended September 30, 2021	Three Months Ended June 30, 2021	Three Months Ended March 31, 2021	Three Months Ended December 31, 2020
<small>(In thousands, except share and per share data)</small>				
Net income attributable to common stockholders	\$ 154,834	\$ 92,102	\$ 199,179	\$ 144,371
Income tax expense	46,127	27,352	(48,937)	21,612
Interest and other, net (a)	17,406	21,803	20,765	18,274
Depreciation and amortization	37,602	27,745	21,455	21,113
EBITDA	<u>\$ 255,969</u>	<u>\$ 169,002</u>	<u>\$ 192,462</u>	<u>\$ 205,370</u>
Acquisition and divestiture costs (b)	13,680	66,789	411	—
Financing transaction costs (c)	—	2,348	—	—
COVID-19 supplemental employee benefits (e)	—	—	—	68
<b>Adjusted EBITDA</b>	<u>\$ 269,649</u>	<u>\$ 238,139</u>	<u>\$ 192,873</u>	<u>\$ 205,438</u>
Last 12 months Adjusted EBITDA	<u>906,099</u>			
Total Debt	<u>\$ 2,832,462</u>			
Less: Cash	<u>788,697</u>			
Net Debt	<u>\$ 2,043,765</u>			
<b>Net Leverage Ratio</b>	<u>2.3</u>			

- (a) Reflects the combination of Interest expense and Other income, net from the condensed consolidated statement of operations.
- (b) Represents costs associated with the Company's acquisition efforts 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, Tracepoint, and EverWatch, as well as the MENA Divestiture.
- (c) Reflects expenses associated with debt financing activities incurred during the first quarter of fiscal 2022 and the second quarter of fiscal 2023.
- (d) Reflects 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.
- (e) Represents the supplemental contribution to employees' dependent care FSA accounts in response to COVID-19.

## Exhibit 5

### Booz Allen Hamilton Holding Corporation Operating Data

(Amounts in millions)	As of September 30,	
	2022	2021
<b>Backlog</b>		
Funded	\$ 5,475	\$ 4,917
Unfunded	10,380	9,528
Priced Options	15,981	14,550
Total Backlog	\$ 31,836	\$ 28,995

	Three Months Ended September 30,		Six Months Ended September 30,	
	2022	2021	2022	2021
<b>Book-to-Bill *</b>	2.40	2.03	1.57	1.68

\* 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 September 30,	
	2022	2021
<b>Headcount</b>		
Total Headcount	30,012	29,228
Client Staff Headcount	27,208	26,120

	Three Months Ended September 30,		Six Months Ended September 30,	
	2022	2021	2022	2021
<b>Percentage of Total Revenue by Contract Type</b>				
Cost-Reimbursable	52%	53%	53%	55%
Time-and-Materials	25%	24%	24%	24%
Fixed-Price	23%	23%	23%	21%



# EARNINGS CALL PRESENTATION

*Fiscal Year 2023, Second Quarter*

October 28, 2022





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## CALL PARTICIPANTS

HORACIO ROZANSKI

*President and Chief Executive Officer*

MATT CALDERONE

*Chief Financial Officer*

NATHAN RUTLEDGE

*Director & Head of Investor Relations*

# DISCLAIMER

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## 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](http://www.sec.gov). All forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the foregoing cautionary statements. All such statements speak only as of the date made and, except as required by law, we undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

## 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 used in 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 used in 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", "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.

# KEY FINANCIAL RESULTS

## SECOND QUARTER FISCAL YEAR 2023 RESULTS

	SECOND QUARTER <sup>(1)</sup>		FIRST HALF <sup>(1)</sup>	
Revenue	\$2.3 billion	+9.2%	\$4.5 billion	+11.1%
Revenue, Excluding Billable Expenses	\$1.6 billion	+10.1%	\$3.2 billion	+10.0%
Adjusted EBITDA	\$286 million	+6.0%	\$539 million	+6.1%
Adjusted EBITDA Margin on Revenue	12.4%	(2.8)%	11.8%	(4.5)%
Net Income	\$171 million	+10.3%	\$309 million	+25.1%
Adjusted Net Income	\$178 million	+4.5%	\$329 million	+4.0%
Diluted EPS	\$1.28	+12.3%	\$2.31	+27.6%
Adjusted Diluted EPS	\$1.34	+6.3%	\$2.47	+6.0%
Net Cash Provided by Operating Activities	\$273 million	(42.0)%	\$227 million	(50.6)%

*(1) Comparisons are to prior fiscal year period.*

INVESTMENT THESIS

EXCEPTIONAL SHAREHOLDER VALUE CREATION

FY2023 – FY2025 GOALS

Competitive  
Edge at the  
Mission-  
Innovation  
Intersection

ADJUSTED EBITDA  
GROWTH TO \$1.2 – 1.3B

Disciplined  
Capital  
Deployment  
\$3.5 – 4.5B

Organic  
Revenue  
5 – 8%



Strategic  
Acquisitions &  
Investments



Strong Mid 10%  
Adjusted EBITDA  
Margin

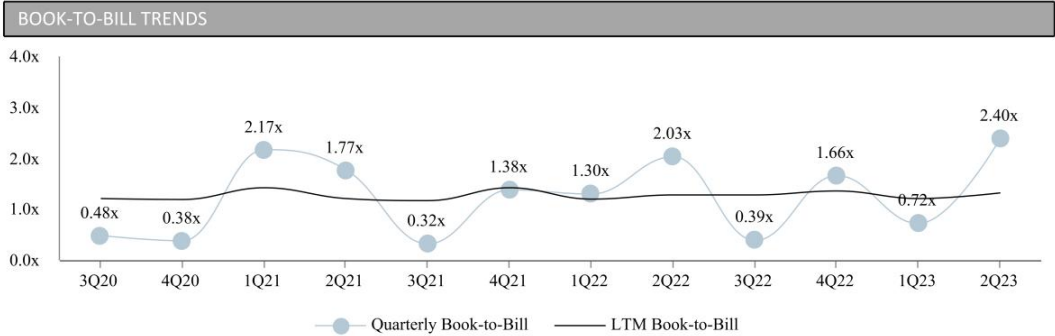
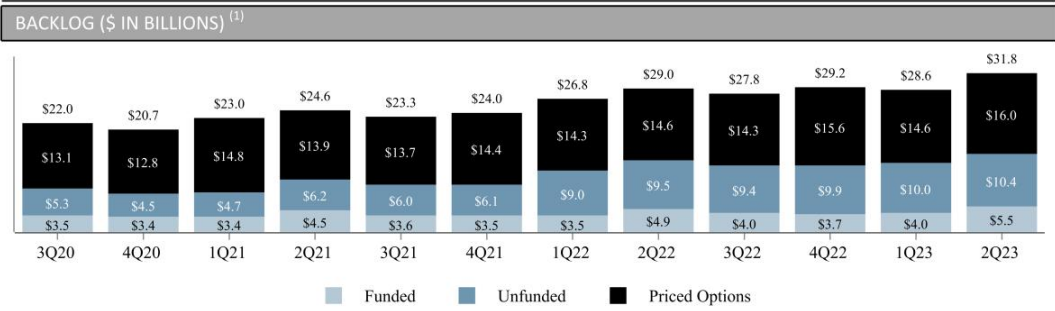
# KEY FINANCIAL RESULTS

## SECOND QUARTER FISCAL YEAR 2023 RESULTS

	SECOND QUARTER <sup>(1)</sup>		FIRST HALF <sup>(1)</sup>	
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Net Cash Provided by Operating Activities	\$273 million	(42.0)%	\$227 million	(50.6)%

<sup>(1)</sup> Comparisons are to prior fiscal year period.

# HISTORICAL BACKLOG & BOOK-TO-BILL



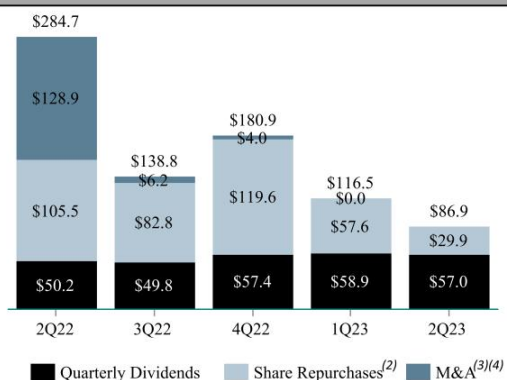
<sup>(1)</sup> For more information on the components of backlog, and the differences between backlog and remaining performance obligations, please see the Company's Form 10-K for the fiscal year ended March 31, 2022; totals may not sum due to rounding.

# CAPITAL ALLOCATION

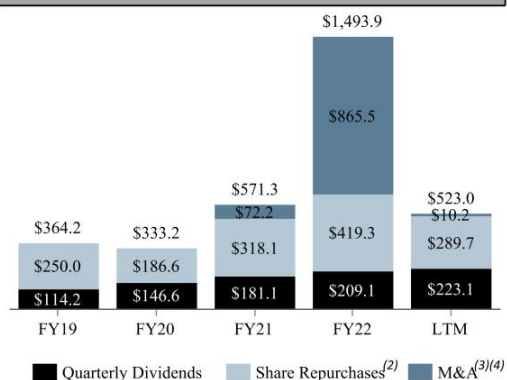
## DELIVERING STRONG CAPITAL RETURNS THROUGH EFFICIENT CAPITAL DEPLOYMENT STRATEGY

- Our multi-year capital deployment plan is to follow a disciplined and opportunistic approach, subject to market conditions
- In Q2 FY 2023, we deployed approximately \$86.9 million:
  - \$57.0 million through quarterly dividends; and
  - \$29.9 million through share repurchases
- The Board authorized a dividend of \$0.43 per share payable on December 2, 2022 to stockholders of record on November 15, 2022
- Increased total share repurchase authorization capacity by \$400.0 million to \$2.56 billion on July 27, 2022, \$975.2 million available as of September 30, 2022
- Our capital allocation priorities remain: operating needs, quarterly dividend, strategic M&A, share repurchases, and debt repayment

QUARTERLY CAPITAL DEPLOYMENT (\$ IN MILLIONS)<sup>(1)</sup>



HISTORICAL CAPITAL DEPLOYMENT (\$ IN MILLIONS)<sup>(1)</sup>



(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.

(4) Total amount of capital deployed for fiscal 2022 does not include ~\$2 million in applicable fees related to our acquisition of Tracepoint.

# FINANCIAL OUTLOOK

## RAISING FULL YEAR FISCAL 2023 GUIDANCE

OPERATING PERFORMANCE	Updated FY23 Guidance	Original FY23 Guidance
Total Revenue Growth <sup>1</sup>	8.0 – 10.0%	5.0 – 9.0%
Adjusted EBITDA	\$975 – \$1,015 million	\$950 – \$1,000 million
Adjusted EBITDA Margin on Revenue	High 10%-to-Low 11%	Mid-to-High 10%
Adjusted Diluted EPS <sup>2</sup>	\$4.25 – \$4.50	\$4.15 – \$4.45
Net Cash Provided by Operating Activities <sup>3</sup>	\$875 – \$950 million	\$850 – \$950 million

(1) Approximately 1% to 2% of the targeted growth in revenue includes Liberty, Tracepoint and EverWatch, partially offset by the MENA divestiture. Original guidance assumed inorganic contributions of approximately 1%.  
(2) Assumes an effective tax rate of 23–25%, average diluted shares outstanding of 131–133 million, and interest expense of \$117–122 million, while original guidance assumed interest expense of \$108–\$117 million.  
(3) Excludes approximately \$315 million of net cash taxes we expect to pay in fiscal 2023, as detailed on Slide 10.



## FISCAL YEAR 2023 OPERATING CASH BRIDGE

Operating Cash Bridge FY22 to FY23	Updated Guidance <sup>1</sup>	Original Guidance <sup>1</sup>
FY22 Operating Cash	\$737 million	\$737 million
FY22 Net Cash Paid for Income Taxes <sup>2</sup>	\$(127) million	\$(127) million
Adjusted EBITDA Growth <sup>3</sup>	~\$40 – \$80 million	~\$15 – \$65 million
Interest Expense <sup>3</sup>	~\$(25) million	~\$(16) million
Net Changes in Working Capital	~\$(4) – \$31 million	~\$(14) – \$37 million
FY23 Operating Cash Excluding Net Cash to be Paid for Income Taxes	\$875 - \$950 million	\$850 - \$950 million
Effective Tax Rate <sup>3</sup>	~\$(175) million	~\$(200) million
Tax Law Changes & Strategic Planning <sup>4</sup>	\$—	~\$(200) million
Section 174 <sup>5</sup>	~\$(140) million	~\$(150) million
FY23 Operating Cash	\$560 - \$635 million	\$300 - \$400 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 \$975-1,015 million, interest expense range of \$117-122 million, and effective tax rate range of 23-25 percent.

(4) Updated 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 <sup>1</sup>	Original Guidance <sup>1</sup>
FY22 ADEPS	\$4.21	\$4.21
Revenue Growth	~\$0.43 – \$0.53	~\$0.28 – \$0.48
Adjusted EBITDA Margin	~\$(0.19) – \$(0.05)	~\$(0.20) – \$(0.10)
FY23 Operational ADEPS	\$4.45 – \$4.70	\$4.29 – \$4.59
Depreciation and Amortization <sup>2</sup>	~\$(0.03)	~\$(0.02)
Interest Expense <sup>3</sup>	~\$(0.14)	~\$(0.10)
Income Tax Expense <sup>4</sup>	~\$(0.06)	~\$(0.05)
Other Below-the-Line Items <sup>5</sup>	~\$0.04	~\$0.05
FY23 ADEPS	\$4.25 – \$4.50	\$4.15 – \$4.45

<sup>(1)</sup> Totals may not sum due to rounding.

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

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

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

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

# APPENDIX

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# NON-GAAP FINANCIAL INFORMATION

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- "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, and significant acquisition amortization. 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, restructuring costs, and supplemental employee benefits due to COVID-19. "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 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) acquisition and divestiture costs, (ii) financing transaction costs, (iii) significant acquisition amortization, (iv) gain on consolidation of equity method investment, (v) amortization and write-off of debt issuance costs and debt discount, and (vi) gain on sale or divestiture, 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.
- "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 September 30,		Six Months Ended September 30,	
	2022	2021	2022	2021
<b>Revenue, Excluding Billable Expenses</b>				
Revenue	\$ 2,298,976	\$ 2,106,038	\$ 4,548,576	\$ 4,095,104
Less: Billable expenses	684,941	640,120	1,359,207	1,195,665
Revenue, Excluding Billable Expenses	<u>\$ 1,614,035</u>	<u>\$ 1,465,918</u>	<u>\$ 3,189,369</u>	<u>\$ 2,899,439</u>
<b>Adjusted Operating Income</b>				
Operating Income	\$ 223,921	\$ 218,367	\$ 431,116	\$ 359,624
Acquisition and divestiture costs (a)	15,932	13,680	21,025	80,469
Financing transaction costs (b)	6,888	—	6,888	2,348
Significant acquisition amortization (c)	11,087	11,868	22,174	14,526
Adjusted Operating Income	<u>\$ 257,828</u>	<u>\$ 243,915</u>	<u>\$ 481,203</u>	<u>\$ 456,967</u>
<b>EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin on Revenue &amp; Adjusted EBITDA Margin on Revenue, Excluding Billable Expenses</b>				
Net income attributable to common stockholders	170,932	154,834	\$ 309,216	\$ 246,936
Income tax expense	51,258	46,127	92,747	73,479
Interest and other, net (d)	1,882	17,406	29,495	39,209
Depreciation and amortization	39,052	37,602	79,154	65,347
EBITDA	<u>263,124</u>	<u>255,969</u>	<u>510,612</u>	<u>424,971</u>
Acquisition and divestiture costs (a)	15,932	13,680	21,025	80,469
Financing transaction costs (b)	6,888	—	6,888	2,348
Adjusted EBITDA	<u>\$ 285,944</u>	<u>\$ 269,649</u>	<u>\$ 538,525</u>	<u>\$ 507,788</u>
Adjusted EBITDA Margin on Revenue	12.4 %	12.8 %	11.8 %	12.4 %
Adjusted EBITDA Margin on Revenue, Excluding Billable Expenses	17.7 %	18.4 %	16.9 %	17.5 %
<b>Adjusted Net Income</b>				
Net income attributable to common stockholders	\$ 170,932	\$ 154,834	\$ 309,216	\$ 246,936
Acquisition and divestiture costs (a)	15,932	13,680	21,025	80,469
Financing transaction costs (b)	6,888	—	6,888	2,348
Significant acquisition amortization (c)	11,087	11,868	22,174	14,526
Gain on consolidation of equity method investment (e)	—	(5,666)	—	(5,666)
Amortization and write-off of debt issuance costs and debt discount	4,177	816	5,000	1,703
Gain on sale or divestiture (f)	(31,160)	—	(31,160)	—
Adjustments for tax effect (g)	(77)	(5,381)	(4,498)	(24,279)
Adjusted Net Income	<u>\$ 177,779</u>	<u>\$ 170,151</u>	<u>\$ 328,645</u>	<u>\$ 316,037</u>
<b>Adjusted Diluted Earnings Per Share</b>				
Weighted-average number of diluted shares outstanding	132,729,245	135,316,429	132,869,141	135,847,548
Adjusted Net Income Per Diluted Share (h)	<u>\$ 1.34</u>	<u>\$ 1.26</u>	<u>\$ 2.47</u>	<u>\$ 2.33</u>
<b>Free Cash Flow</b>				
Net cash provided by operating activities	\$ 272,726	\$ 470,408	\$ 227,092	\$ 459,746
Less: Purchases of property, equipment, and software	(16,000)	(20,667)	(29,734)	(29,675)
Free Cash Flow	<u>\$ 256,726</u>	<u>\$ 449,741</u>	<u>\$ 197,358</u>	<u>\$ 430,071</u>
Free Cash Flow Conversion	144 %	264 %	60 %	136 %

## 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"), Tracepoint Holdings, LLC ("Tracepoint"), and EverWatch Corp. ("EverWatch"), as well as the divestiture of our management consulting business serving the Middle East and North Africa (the "MENA Divestiture").

(b) Reflects expenses associated with debt financing activities incurred during the first quarter of fiscal 2022 and the 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.

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

(e) Represents the Company's remeasurement of its previously held equity method investment in Tracepoint to its fair value which resulted in a gain upon the acquisition of a controlling financial interest in Tracepoint.

(f) Represents the gain recognized on the MENA Divestiture.

(g) Reflects the tax effect of adjustments, except the gain on sale of divestiture, 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 the gain on sale or divestiture is at an assumed effective tax rate of 32%.

(h) Excludes adjustments of approximately \$1.4 million and \$2.3 million of net earnings for the three and six months ended September 30, 2022, respectively and excludes adjustments of approximately \$1.1 million and \$1.5 million of net earnings for the three and six months ended September 30, 2021, 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 September 30, 2022	Three Months Ended June 30, 2022	Three Months Ended March 31, 2022	Three Months Ended December 31, 2021
Net income attributable to common stockholders	\$ 170,932	\$ 138,284	\$ 90,795	\$ 128,846
Income tax expense	51,258	41,489	33,897	30,090
Interest and other, net (a)	1,882	27,613	23,653	18,276
Depreciation and amortization	39,052	40,102	40,824	39,576
EBITDA	\$ 263,124	\$ 247,488	\$ 189,169	\$ 216,788
Acquisition and divestiture costs (b)	15,932	5,093	11,670	5,346
Financing transaction costs (c)	6,888	—	—	—
Restructuring costs (d)	—	—	4,164	—
Adjusted EBITDA	\$ 285,944	\$ 252,581	\$ 205,003	\$ 222,134
Last 12 months Adjusted EBITDA	\$ 965,662			
Total Debt	\$ 2,831,261			
Less: Cash	756,520			
Net Debt	\$ 2,074,741			
Net Leverage Ratio	2.1			
	Three Months Ended September 30, 2021	Three Months Ended June 30, 2021	Three Months Ended March 31, 2021	Three Months Ended December 31, 2020
Net income attributable to common stockholders	\$ 154,834	\$ 92,102	\$ 199,179	\$ 144,371
Income tax expense	46,127	27,352	(48,937)	21,612
Interest and other, net (a)	17,406	21,803	20,765	18,274
Depreciation and amortization	37,602	27,745	21,455	21,113
EBITDA	\$ 255,969	\$ 169,002	\$ 192,462	\$ 205,370
Acquisition and divestiture costs (b)	13,680	66,789	411	—
Financing transaction costs (c)	—	2,348	—	—
COVID-19 supplemental employee benefits (e)	—	—	—	68
Adjusted EBITDA	\$ 269,649	\$ 238,139	\$ 192,873	\$ 205,438
Last 12 months Adjusted EBITDA	\$ 906,099			
Total Debt	\$ 2,832,462			
Less: Cash	788,697			
Net Debt	\$ 2,043,765			
Net Leverage Ratio	2.3			

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

(b) Represents costs associated with the Company's acquisition efforts 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, Tracepoint, and EverWatch, as well as the MENA Divestiture.

(c) Reflects expenses associated with debt financing activities incurred during the first quarter of fiscal 2022 and the second quarter of fiscal 2023.

(d) Reflects 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.

(e) Represents the supplemental contribution to employees' dependent care FSA accounts in response to COVID-19.

# FINANCIAL RESULTS – KEY DRIVERS

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**Second Quarter Fiscal 2023** – Below is a summary of the key factors driving results for the fiscal 2023 second quarter ended September 30, 2022 as compared to the prior year period:

- Revenue increased 9.2% to \$2.3 billion and Revenue, Excluding Billable Expenses increased 10.1% 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.
- Operating income increased 2.5% to \$223.9 million and Adjusted Operating Income increased 5.7% to \$257.8 million. These increases were primarily driven by the same drivers benefiting revenue growth, coupled with ongoing cost management efforts. Operating income was negatively impacted by \$6.9 million in debt issuance costs related to the Company's September 2022 debt refinancing and \$2.3 million of additional acquisition and divestiture costs compared to the comparable prior year period, both of which did not impact Adjusted Operating Income.
- Net income increased 10.3% to \$170.8 million, and net income attributable to common stockholders increased 10.4% to \$170.9 million. These changes were primarily driven by the same factors as operating income, as well as a \$31.2 million pre-tax gain from the sale of the Company's MENA business, partially offset by higher interest expense. Adjusted Net income increased 4.5% to \$177.8 million. The change in Adjusted Net Income was primarily driven by the same factors as Adjusted Operating Income, partially offset by a higher interest expense.
- EBITDA increased 2.8% to \$263.1 million and Adjusted EBITDA increased 6.0% to \$285.9 million. These changes were due to the same factors as operating income and Adjusted Operating Income, respectively.
- Diluted EPS increased to \$1.28 from \$1.14 and Adjusted Diluted EPS increased to \$1.34 from \$1.26. 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 second quarter of fiscal 2023.
- Net cash provided by operating activities was \$272.7 million for the quarter ended September 30, 2022, as compared to \$470.4 million in the prior year period. Free Cash Flow was \$256.7 million for the three months ended September 30, 2022, as compared to \$449.7 million in the prior year period. Cash provided by operating activities and Free Cash Flow benefited from our strong operating performance, which were partially offset by higher cash taxes paid.



