

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

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended December 31, 2024

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____
Commission File No. 001-34972

Booz Allen Hamilton Holding Corporation

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

26-2634160

(I.R.S. Employer
Identification No.)

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

22102
(Zip Code)

(703) 902-5000

Registrant's telephone number, including area code
(Former name, former address, and former fiscal year if changed since last report.)

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

<u>Title of Each Class</u>	<u>Trading Symbol</u>	<u>Name of Each Exchange on Which Registered</u>
Class A Common Stock	BAH	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definition of "accelerated filer," "large accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	<input checked="" type="checkbox"/>	Accelerated Filer	<input type="checkbox"/>
Non-Accelerated Filer	<input type="checkbox"/>	Smaller Reporting Company	<input type="checkbox"/>
		Emerging Growth Company	<input type="checkbox"/>

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.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

	Shares Outstanding as of 1/28/2025
Class A Common Stock	126,645,604

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

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BOOZ ALLEN HAMILTON HOLDING CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
(Amounts in thousands, except share and per share data)

	December 31, 2024	March 31, 2024
	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 453,539	\$ 554,257
Accounts receivable, net	2,223,712	2,047,342
Prepaid expenses and other current assets	169,142	137,310
Total current assets	2,846,393	2,738,909
Property and equipment, net of accumulated depreciation	177,267	188,279
Operating lease right-of-use assets	179,941	174,345
Intangible assets, net of accumulated amortization	580,062	601,043
Goodwill	2,404,941	2,343,789
Deferred tax assets	311,966	227,171
Other long-term assets	320,419	290,152
Total assets	\$ 6,820,989	\$ 6,563,688
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term debt	\$ 82,500	\$ 61,875
Accounts payable and other accrued expenses	946,127	1,050,670
Accrued compensation and benefits	706,894	506,130
Operating lease liabilities	40,898	43,187
Other current liabilities	37,910	30,328
Total current liabilities	1,814,329	1,692,190
Long-term debt, net of current portion	3,291,215	3,349,941
Operating lease liabilities, net of current portion	181,679	182,134
Income tax reserves	137,471	120,237
Other long-term liabilities	186,378	172,624
Total liabilities	5,611,072	5,517,126
Commitments and contingencies (Note 15)		
Stockholders' equity:		
Common stock, Class A - \$0.01 par value - authorized: 600,000,000 shares; issued: 167,983,631 and 167,402,268 shares at December 31, 2024 and March 31, 2024, respectively; outstanding: 127,102,565 and 129,643,123 shares at December 31, 2024 and March 31, 2024, respectively	1,680	1,674
Treasury stock, at cost - 40,881,066 and 37,759,145 shares at December 31, 2024 and March 31, 2024	(2,752,083)	(2,277,546)
Additional paid-in capital	1,009,759	908,837
Retained earnings	2,947,426	2,404,065
Accumulated other comprehensive income	3,135	9,532
Total stockholders' equity	1,209,917	1,046,562
Total liabilities and stockholders' equity	\$ 6,820,989	\$ 6,563,688

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

BOOZ ALLEN HAMILTON HOLDING CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)
(Amounts in thousands, except per share data)

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2024	2023	2024	2023
Revenue	\$ 2,917,190	\$ 2,569,801	\$ 9,005,373	\$ 7,890,569
Operating costs and expenses:				
Cost of revenue	1,305,612	1,180,961	4,039,128	3,665,589
Billable expenses	938,534	799,896	2,851,537	2,436,988
General and administrative expenses	341,629	300,273	896,335	915,160
Depreciation and amortization	40,156	41,113	123,341	123,867
Total operating costs and expenses	<u>2,625,931</u>	<u>2,322,243</u>	<u>7,910,341</u>	<u>7,141,604</u>
Operating income	291,259	247,558	1,095,032	748,965
Interest expense	(45,629)	(46,582)	(138,605)	(126,812)
Other income, net	2,766	6,408	19,682	11,888
Income before income taxes	248,396	207,384	976,109	634,041
Income tax expense	61,446	61,740	233,814	156,291
Net income	<u>\$ 186,950</u>	<u>\$ 145,644</u>	<u>\$ 742,295</u>	<u>\$ 477,750</u>
Earnings per common share (Note 4):				
Basic	<u>\$ 1.46</u>	<u>\$ 1.11</u>	<u>\$ 5.75</u>	<u>\$ 3.63</u>
Diluted	<u>\$ 1.45</u>	<u>\$ 1.11</u>	<u>\$ 5.73</u>	<u>\$ 3.62</u>

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

BOOZ ALLEN HAMILTON HOLDING CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)
(Amounts in thousands)

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2024	2023	2024	2023
Net income	\$ 186,950	\$ 145,644	\$ 742,295	\$ 477,750
Other comprehensive income, net of tax:				
Change in unrealized gain (loss) on derivatives designated as cash flow hedges	3,300	(6,006)	(6,731)	(2,681)
Change in postretirement plan costs	111	(383)	334	(1,149)
Total other comprehensive income (loss), net of tax	3,411	(6,389)	(6,397)	(3,830)
Comprehensive income	<u>\$ 190,361</u>	<u>\$ 139,255</u>	<u>\$ 735,898</u>	<u>\$ 473,920</u>

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

BOOZ ALLEN HAMILTON HOLDING CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

(Amounts in thousands)	Nine Months Ended December 31,	
	2024	2023
Cash flows from operating activities		
Net income	\$ 742,295	\$ 477,750
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	123,341	123,867
Noncash lease expense	38,967	40,558
Stock-based compensation expense	70,830	61,277
Amortization of debt issuance costs	4,105	3,580
Loss on debt extinguishment	—	965
Net (gains) losses on investments, dispositions, and other	(10,769)	2,188
Changes in operating assets and liabilities:		
Accounts receivable, net	(158,984)	(193,483)
Deferred income taxes and income taxes receivable / payable	(105,321)	(76,982)
Prepaid expenses and other current and long-term assets	(15,639)	(4,535)
Accrued compensation and benefits	224,241	43,758
Accounts payable and other accrued expenses	(103,068)	(323,730)
Other current and long-term liabilities	(20,007)	(40,145)
Net cash provided by operating activities	789,991	115,068
Cash flows from investing activities		
Purchases of property, equipment, and software	(73,428)	(50,532)
Payments for business acquisitions and dispositions, net of cash acquired	(96,524)	(406)
Payments for cost method investments	(13,813)	(17,316)
Net cash used in investing activities	(183,765)	(68,254)
Cash flows from financing activities		
Proceeds from issuance of common stock	24,859	20,899
Stock option exercises	5,000	14,409
Repurchases of common stock	(497,116)	(303,654)
Cash dividends paid	(198,437)	(186,787)
Proceeds from revolving credit facility	—	500,000
Repayments on revolving credit facility, term loans, and Senior Notes	(41,250)	(530,937)
Net proceeds from debt issuance	—	636,207
Net cash (used in) provided by financing activities	(706,944)	150,137
Net (decrease) increase in cash and cash equivalents	(100,718)	196,951
Cash and cash equivalents—beginning of period	554,257	404,862
Cash and cash equivalents—end of period	\$ 453,539	\$ 601,813
Supplemental disclosures of cash flow information		
Net cash paid during the period for:		
Interest	\$ 121,373	\$ 105,259
Income taxes	\$ 321,896	\$ 222,267
Supplemental disclosures of non-cash investing activities:		
Unpaid property, equipment, and software purchases	\$ 4,207	\$ —

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

BOOZ ALLEN HAMILTON HOLDING CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Unaudited)

(Amounts in thousands, except share data)	Class A Common Stock		Treasury Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
	Shares	Amount	Shares	Amount				
Balance at September 30, 2024	167,841,004	\$ 1,678	(39,939,116)	\$(2,601,927)	\$ 975,216	\$ 2,826,078	\$ (276)	\$ 1,20
Issuance of common stock	134,666	2	—	—	9,059	—	—	—
Stock options exercised	7,961	—	—	—	366	—	—	—
Repurchase of common stock ⁽¹⁾	—	—	(941,950)	(150,156)	—	—	—	(150)
Net income	—	—	—	—	—	186,950	—	186
Other comprehensive income, net of tax	—	—	—	—	—	—	3,411	3,411
Dividends paid of \$0.51 per share of common stock	—	—	—	—	—	(65,602)	—	(65,602)
Stock-based compensation expense	—	—	—	—	25,118	—	—	25,118
Balance at December 31, 2024	167,983,631	\$ 1,680	(40,881,066)	\$(2,752,083)	\$1,009,759	\$ 2,947,426	\$ 3,135	\$ 1,20
Balance at March 31, 2024	167,402,268	\$ 1,674	(37,759,145)	\$(2,277,546)	\$ 908,837	\$ 2,404,065	\$ 9,532	\$ 1,04
Issuance of common stock	483,438	5	—	—	25,093	—	—	25,098
Stock options exercised	97,925	1	—	—	4,999	—	—	4,999
Repurchase of common stock ⁽²⁾	—	—	(3,121,921)	(474,537)	—	—	—	(3,596)
Net income	—	—	—	—	—	742,295	—	742,295
Other comprehensive loss, net of tax	—	—	—	—	—	—	(6,397)	(6,397)
Dividends paid of \$1.53 per share of common stock	—	—	—	—	—	(198,934)	—	(198,934)
Stock-based compensation expense	—	—	—	—	70,830	—	—	70,830
Balance at December 31, 2024	167,983,631	\$ 1,680	(40,881,066)	\$(2,752,083)	\$1,009,759	\$ 2,947,426	\$ 3,135	\$ 1,20

⁽¹⁾ During the three months ended December 31, 2024, the Company purchased 0.9 million shares of the Company's Class A Common Stock for \$145.0 million. Additionally, the Company repurchased shares for \$3.8 million during the three months ended December 31, 2024 to cover the minimum statutory taxes on repurchases and restricted stock units that vested on various dates during the period.

⁽²⁾ During the nine months ended December 31, 2024, the Company purchased 3.0 million shares of the Company's Class A Common Stock for \$453.5 million. Additionally, the Company repurchased shares for \$17.1 million during the nine months ended December 31, 2024 to cover the minimum statutory taxes on repurchases and restricted stock units that vested on various dates during the period.

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

BOOZ ALLEN HAMILTON HOLDING CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Unaudited)

(Amounts in thousands, except share data)	Class A Common Stock		Treasury Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
	Shares	Amount	Shares	Amount				
Balance at September 30, 2023	166,669,125	\$ 1,667	(36,095,259)	\$ (2,054,418)	\$ 834,042	\$ 2,258,947	\$ 31,892	\$ 1,07
Issuance of common stock	106,446	1	—	—	6,951	—	—	—
Stock options exercised	23,502	—	—	—	1,276	—	—	—
Repurchase of common stock ⁽³⁾	—	—	(764,764)	(95,316)	—	—	—	(9)
Net income	—	—	—	—	—	145,644	—	14
Other comprehensive loss, net of tax	—	—	—	—	—	—	(6,389)	(
Dividends paid of \$0.47 per share of common stock	—	—	—	—	—	(61,821)	—	(6
Stock-based compensation expense	—	—	—	—	23,767	—	—	2
Balance at December 31, 2023	166,799,073	\$ 1,668	(36,860,023)	\$ (2,149,734)	\$ 866,036	\$ 2,342,770	\$ 25,503	\$ 1,08
Balance at March 31, 2023	165,872,332	\$ 1,659	(34,234,744)	\$ (1,859,905)	\$ 769,460	\$ 2,051,455	\$ 29,333	\$ 99
Issuance of common stock	610,945	6	—	—	20,893	—	—	2
Stock options exercised	315,796	3	—	—	14,406	—	—	1
Repurchase of common stock ⁽⁴⁾	—	—	(2,625,279)	(289,829)	—	—	—	(28
Net income	—	—	—	—	—	477,750	—	47
Other comprehensive loss, net of tax	—	—	—	—	—	—	(3,830)	(
Dividends paid of \$1.41 per share of common stock	—	—	—	—	—	(186,435)	—	(18
Stock-based compensation expense	—	—	—	—	61,277	—	—	6
Balance at December 31, 2023	166,799,073	\$ 1,668	(36,860,023)	\$ (2,149,734)	\$ 866,036	\$ 2,342,770	\$ 25,503	\$ 1,08

⁽³⁾ During the three months ended December 31, 2023, the Company purchased 0.8 million shares of the Company's Class A Common Stock for \$92.7 million. Additionally, the Company repurchased shares for \$1.8 million during the three months ended December 31, 2023 to cover the minimum statutory taxes on repurchases and restricted stock units that vested on various dates during the period.

⁽⁴⁾ During the nine months ended December 31, 2023, the Company purchased 2.5 million shares of the Company's Class A Common Stock for \$272.8 million. Additionally, the Company repurchased shares for \$14.9 million during the nine months ended December 31, 2023 to cover the minimum statutory taxes on repurchases and restricted stock units that vested on various dates during the period.

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

BOOZ ALLEN HAMILTON HOLDING CORPORATION
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Amounts in tables in thousands, except share and per share data or unless otherwise noted)

1. Business Overview

Booz Allen Hamilton Holding Corporation, including its wholly owned subsidiaries, or the Company, we, us, and our, was incorporated in Delaware in May 2008. The Company provides advanced technology products and services including artificial intelligence, cyber, and digital solutions to U.S. and international governments, major corporations, and not-for-profit organizations. The Company reports operating results and financial data in one reportable segment. The Company is headquartered in McLean, Virginia, with approximately 35,900 employees as of December 31, 2024.

2. Basis of Presentation

The accompanying unaudited condensed consolidated financial statements include the accounts of the Company and its subsidiaries that are majority-owned or otherwise controlled by the Company, and have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP") and the rules and regulations of the U.S. Securities and Exchange Commission (the "SEC") and should be read in conjunction with the information contained in the Company's Annual Report on Form 10-K for the year ended March 31, 2024. The interim period unaudited condensed consolidated financial statements are presented as described below. Certain information and disclosures normally required for annual financial statements have been condensed or omitted pursuant to GAAP and SEC rules and regulations. In the opinion of management, all adjustments considered necessary for fair presentation of the results of the interim periods presented have been included. The Company's fiscal year ends on March 31 and, unless otherwise noted, references to fiscal year or fiscal are for fiscal years ended March 31. The results of operations for the nine months ended December 31, 2024 are not necessarily indicative of results to be expected for the full fiscal year.

The condensed consolidated financial statements and notes of the Company include its subsidiaries, and other entities over which the Company has a controlling financial interest or where the Company is a primary beneficiary.

Certain amounts reported in the Company's prior fiscal year condensed consolidated financial statements have been reclassified to conform to the current fiscal year presentation.

Investments in Variable Interest Entities and Other Investments

The Company invests in certain companies that advance or develop new technologies applicable to its business. Each investment is evaluated for consolidation under the variable interest entities model and/or the voting interest model. The Company uses the equity method to account for investments in entities that it does not control if it is otherwise able to exert significant influence over the entities' operating and financial policies. Equity investments in entities over which the Company does not have the ability to exercise significant influence and whose securities do not have a readily determinable fair value are accounted for under the measurement alternative, where they are subject to fair value adjustments in certain circumstances (e.g., observable price changes or impairment).

The results of our investments are not material to the unaudited condensed and consolidated financial statements for the periods presented. As of December 31, 2024 and March 31, 2024, respectively, the total of equity and other investments related to unconsolidated entities included in other long term assets of the Company's condensed consolidated balance sheet were \$67.2 million and \$42.0 million.

Accounting Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses, as well as the disclosure of contingent assets and liabilities at the date of the financial statements or during the relevant reporting periods (as applicable). The Company bases its estimates on assumptions, both historical and forward-looking, that it believes are reasonable and appropriate. Actual results may differ materially from those estimates. Estimates are used for, but not limited to, revenue recognition including the profitability of long-term contracts and indirect costs accruals, the provision for claimed costs, fair value measurements and the valuation and expected lives of intangible assets, incentive compensation, income taxes including reserves for uncertain tax positions, postretirement obligations and contingencies. See Note 2, "Summary of Significant Accounting Policies" to the Company's consolidated financial statements included in the Annual Report on Form 10-K for the year ended March 31, 2024 for further details on significant estimates and assumptions used.

BOOZ ALLEN HAMILTON HOLDING CORPORATION
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Amounts in tables in thousands, except share and per share data or unless otherwise noted)

Recently Issued Accounting Pronouncements Not Yet Adopted

In November 2023, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2023-07, *Improvements to Reportable Segment Disclosures*, which enhances reportable segment disclosure requirements, including significant segment expenses and interim disclosures (“Topic 280”). The guidance allows for disclosure of multiple measures of a segment’s profit or loss, and it requires that public entities with a single reportable segment provide all disclosures required by the ASU and all existing disclosures in Topic 280. ASU 2023-07 is effective for annual periods beginning after December 15, 2023 and interim periods within fiscal years beginning after December 15, 2024. The amendments are to be applied retrospectively, and early adoption is permitted. The Company is currently assessing the impact of this update and does not expect this update to have a material impact on its present or historical consolidated financial statements.

In December 2023, the FASB issued ASU 2023-09, *Improvements to Income Tax Disclosures*, which requires disclosure of disaggregated information about an entity’s effective tax rate reconciliation as well as information on income taxes paid. The ASU is effective for annual periods beginning after December 15, 2024, and should be applied prospectively. The Company plans to adopt this standard in fiscal 2026 and is currently evaluating the impact of adoption of this standard on its financial statement disclosures.

In November 2024, the FASB issued ASU 2024-03, *Disaggregation of Income Statement Expenses*, which is intended to enhance transparency into the nature and function of certain expenses. The guidance does not change the expense captions an entity presents on the face of the income statement; rather, it requires public business entities to provide disaggregated disclosures of certain expense captions in the notes to the financial statements. The ASU is effective for annual periods beginning after December 15, 2026 and interim periods within fiscal years beginning after December 15, 2027, and should be applied prospectively. The Company is currently assessing the impact of this update.

Recently Issued Accounting Pronouncements Adopted

There have been no recently adopted accounting pronouncements that are material to the Company's consolidated financial statements.

3. Revenue

Contract Estimates

We recognize revenue for many of our fixed price contracts under a contract cost-based input method and require an Estimate-at-Completion (“EAC”) process, which management uses to review and monitor the progress towards the completion of our performance obligations. Under this process, management considers various inputs and assumptions related to the EAC, including, but not limited to, progress towards completion, labor costs and productivity, material and subcontractor costs, and identified risks. Estimating the total cost at the completion of our performance obligations is subjective and requires management to make assumptions about future activity and cost drivers under the contract. Changes in these estimates can occur for a variety of reasons and, if significant, may impact the profitability of the Company’s contracts. Changes in estimates related to contracts accounted for under the EAC process are recognized on a cumulative catch-up basis in the period when such changes are determinable and reasonably estimable. If the estimate of contract profitability indicates an anticipated loss on a contract, the Company recognizes the total loss at the time it is identified. For each of the three and nine months ended December 31, 2024 and 2023, the aggregate impact of adjustments in contract estimates was not material.

Disaggregation of Revenue

We disaggregate our revenue from contracts with customers by contract type and by customer type, as well as by whether the Company acts as prime contractor or sub-contractor, as we believe these categories best depict how the nature, amount, timing and uncertainty of our revenue and cash flows are affected by economic factors. The following series of tables presents our revenue disaggregated by these categories.

BOOZ ALLEN HAMILTON HOLDING CORPORATION
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Amounts in tables in thousands, except share and per share data or unless otherwise noted)

Revenue by Contract Type:

	Three Months Ended December 31,				Nine Months Ended December 31,			
	2024		2023		2024		2023	
Cost-reimbursable	\$ 1,673,838	57 %	\$ 1,403,297	55 %	\$ 5,114,805	57 %	\$ 4,317,430	55 %
Time-and-materials	660,031	23 %	614,339	24 %	2,053,417	23 %	1,888,679	24 %
Fixed-price	583,321	20 %	552,165	21 %	1,837,151	20 %	1,684,460	21 %
Total Revenue	<u>\$ 2,917,190</u>	<u>100 %</u>	<u>\$ 2,569,801</u>	<u>100 %</u>	<u>\$ 9,005,373</u>	<u>100 %</u>	<u>\$ 7,890,569</u>	<u>100 %</u>

Revenue by Customer Type:

	Three Months Ended December 31,				Nine Months Ended December 31,			
	2024		2023		2024		2023	
Defense Clients	\$ 1,454,686	50 %	\$ 1,225,697	48 %	\$ 4,415,664	49 %	\$ 3,718,335	47 %
Intelligence Clients	451,187	15 %	405,885	16 %	1,408,646	16 %	1,326,342	17 %
Civil Clients ⁽¹⁾	1,011,317	35 %	938,219	36 %	3,181,063	35 %	2,845,892	36 %
Total Revenue	<u>\$ 2,917,190</u>	<u>100 %</u>	<u>\$ 2,569,801</u>	<u>100 %</u>	<u>\$ 9,005,373</u>	<u>100 %</u>	<u>\$ 7,890,569</u>	<u>100 %</u>

⁽¹⁾ As of the first quarter of fiscal 2025, Civil Clients includes revenue from Global Commercial Clients, which was previously separately reported. Prior periods' revenues have been recast to reflect the change.

Revenue by Whether the Company Acts as a Prime Contractor or a Subcontractor:

	Three Months Ended December 31,				Nine Months Ended December 31,			
	2024		2023		2024		2023	
Prime Contractor	\$ 2,775,505	95 %	\$ 2,447,401	95 %	\$ 8,584,534	95 %	\$ 7,502,044	95 %
Subcontractor	141,685	5 %	122,400	5 %	420,839	5 %	388,525	5 %
Total Revenue	<u>\$ 2,917,190</u>	<u>100 %</u>	<u>\$ 2,569,801</u>	<u>100 %</u>	<u>\$ 9,005,373</u>	<u>100 %</u>	<u>\$ 7,890,569</u>	<u>100 %</u>

Performance Obligations

Remaining performance obligations represent the transaction price of exercised contracts for which work has not yet been performed, irrespective of whether funding has or has not been authorized and appropriated as of the date of exercise. Remaining performance obligations exclude negotiated but unexercised options, the unfunded value of expired contracts, and certain variable consideration which the Company does not expect to recognize as revenue.

As of December 31, 2024 and March 31, 2024, the Company had \$9.5 billion and \$8.7 billion of remaining performance obligations, respectively. We expect to recognize approximately 70% of the remaining performance obligations at December 31, 2024 as revenue over the next 12 months, and approximately 80% over the next 24 months. The remainder is expected to be recognized thereafter.

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Contract Balances

The following table summarizes the contract assets and liabilities, and accounts receivable, net of allowance recognized on the Company's condensed consolidated balance sheets:

	December 31, 2024	March 31, 2024
Current assets		
Accounts receivable–billed	\$ 771,843	\$ 700,066
Accounts receivable–unbilled (contract assets)	1,452,730	1,347,577
Allowance for credit losses	(861)	(301)
Accounts receivable, net	2,223,712	2,047,342
Other long-term assets		
Accounts receivable–unbilled (contract assets)	57,708	57,355
Total accounts receivable, net	\$ 2,281,420	\$ 2,104,697
Other current liabilities		
Advance payments, billings in excess of costs incurred and deferred revenue (contract liabilities)	\$ 21,246	\$ 15,527

Changes in contract assets and contract liabilities are primarily due to the timing difference between the Company's performance of services and payments from customers. For the three months ended December 31, 2024 and 2023, we recognized revenue of \$1.0 million and \$0.4 million, respectively, and for the nine months ended December 31, 2024 and 2023, we recognized revenue of \$10.5 million and \$16.6 million, respectively, related to our contract liabilities on April 1, 2024 and 2023, respectively. To determine revenue recognized from contract liabilities during the reporting periods, the Company allocates revenue to individual contract liability balances and applies revenue recognized during the reporting periods first to the beginning balances of contract liabilities until the revenue exceeds the balances.

4. Earnings Per Share

A reconciliation of the income used to compute basic and diluted EPS for the periods presented are as follows:

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2024	2023	2024	2023
Numerator ⁽¹⁾:				
Earnings for basic computations	\$ 185,866	\$ 144,431	\$ 738,189	\$ 473,856
Earnings for diluted computations	\$ 185,869	\$ 144,433	\$ 738,200	\$ 473,864
Denominator:				
Weighted-average common stock shares outstanding, basic	127,429,723	130,121,092	128,407,906	130,647,687
Dilutive stock options and restricted stock	510,414	367,958	501,587	411,067
Weighted-average common stock shares outstanding, diluted ⁽²⁾	127,940,137	130,489,050	128,909,493	131,058,754
Earnings per common share:				
Basic	\$ 1.46	\$ 1.11	\$ 5.75	\$ 3.63
Diluted ⁽²⁾	\$ 1.45	\$ 1.11	\$ 5.73	\$ 3.62

⁽¹⁾ The difference between earnings for basic and diluted computations and net income presented on the condensed consolidated statements of operations is due to undistributed earnings and dividends allocated to the participating securities. There were approximately 0.7 million and 1.1 million of participating securities for both the three and nine months ended December 31, 2024 and 2023, respectively.

⁽²⁾ The impact of anti-dilutive options excluded from the calculation of EPS was not material during the periods presented.

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5. Acquisition, Goodwill and Intangible Assets

Acquisition

On June 7, 2024, the Company completed the acquisition of PAR Government Systems Corporation (“PGSC”), a wholly owned subsidiary of PAR Technology Corporation, for approximately \$98.7 million, net of post-closing adjustments and incurred transaction costs as part of the acquisition. PGSC was founded in 1985 and headquartered in Rome, New York, and delivers differentiated services and solutions in strategic mission areas, including the provision of real-time communications and mobile situational awareness to maintain battlespace dominance for a range of government customers. The acquisition was funded with cash on hand. As a result of the transaction, PGSC became a wholly owned subsidiary of Booz Allen Hamilton Inc.

The acquisition was accounted for under the acquisition method of accounting, which requires the total acquisition consideration to be allocated to the assets acquired and liabilities assumed based on an estimate of the acquisition date fair value, with the difference reflected in goodwill. The Company completed the determination of fair values of the acquired assets and liabilities assumed during the third quarter of fiscal 2025, except for the purchase price allocation for federal income tax purposes, which is in the process of being finalized.

The goodwill recognized of \$61.1 million is primarily attributable to PGSC’s specialized workforce and the expected synergies between the Company and PGSC, and is deductible for tax purposes. The intangible assets recognized of \$27.0 million consist primarily of contract assets and are being amortized over the estimated useful life of twelve years.

Goodwill

As of December 31, 2024 and March 31, 2024, goodwill was \$2,404.9 million and \$2,343.8 million, respectively. The \$61.1 million increase in the carrying amount of goodwill was attributable the Company’s acquisition of PGSC.

Intangible Assets

Intangible assets consisted of the following:

	December 31, 2024			March 31, 2024		
	Gross Carrying Value	Accumulated Amortization	Net Carrying Value	Gross Carrying Value	Accumulated Amortization	Net Carrying Value
Amortizable intangible assets:						
Customer contracts and related customer relationships	\$ 618,894	\$ 287,326	\$ 331,568	\$ 591,895	\$ 237,764	\$ 354,131
Software	169,110	110,816	58,294	146,284	89,572	56,712
Total amortizable intangible assets	\$ 788,004	\$ 398,142	\$ 389,862	\$ 738,179	\$ 327,336	\$ 410,843
Unamortizable intangible assets:						
Trade name	\$ 190,200	—	\$ 190,200	\$ 190,200	—	\$ 190,200
Total	\$ 978,204	\$ 398,142	\$ 580,062	\$ 928,379	\$ 327,336	\$ 601,043

The \$49.8 million increase in the gross carrying amount of intangible assets was primarily attributable the Company’s acquisition of PGSC, with the remainder resulting from increases in the Company’s internally developed software.

6. Accounts Payable and Other Accrued Expenses

Accounts payable and other accrued expenses consisted of the following:

	December 31, 2024	March 31, 2024
Vendor payables	\$ 640,494	\$ 653,131
Provision for claimed costs	246,703	363,745
Accrued interest	35,189	14,375
Accrued expenses	23,741	19,419
Total accounts payable and other accrued expenses	\$ 946,127	\$ 1,050,670

See Note 15, “Commitments and Contingencies,” to the condensed consolidated financial statements for further discussion of the Company’s provision for claimed costs.

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7. Accrued Compensation and Benefits

Accrued compensation and benefits consisted of the following:

	December 31, 2024	March 31, 2024
Bonus	\$ 86,498	\$ 151,063
Retirement	158,466	57,465
Vacation	204,796	223,385
Accrued payroll and related liabilities	247,228	45,904
Other	9,906	28,313
Total accrued compensation and benefits	<u>\$ 706,894</u>	<u>\$ 506,130</u>

The increase in accrued payroll and related liabilities was due to the Company changing its payroll cadence during fiscal 2025.

8. Debt

Debt consisted of the following on the dates below:

	December 31, 2024		March 31, 2024	
	Interest Rate	Outstanding Balance	Interest Rate	Outstanding Balance
Term Loan A	5.707 %	\$ 1,546,875	6.677 %	\$ 1,588,125
Senior Notes due 2028	3.875 %	700,000	3.875 %	700,000
Senior Notes due 2029	4.000 %	500,000	4.000 %	500,000
Senior Notes due 2033	5.950 %	650,000	5.950 %	650,000
Less: Unamortized debt issuance costs and discount on debt		(23,160)		(26,309)
Total		3,373,715		3,411,816
Less: Current portion of long-term debt		(82,500)		(61,875)
Long-term debt, net of current portion		<u>\$ 3,291,215</u>		<u>\$ 3,349,941</u>

Credit Agreement

Booz Allen Hamilton Inc. ("Booz Allen Hamilton"), Booz Allen Hamilton Investor Corporation ("Investor"), and certain wholly owned subsidiaries of Booz Allen Hamilton are parties to a Credit Agreement dated as of July 31, 2012, as amended (the "Credit Agreement"), with certain institutional lenders and Bank of America, N.A., as Administrative Agent, Collateral Agent and Issuing Lender. As of December 31, 2024, the Credit Agreement provided Booz Allen Hamilton with a \$1,546.9 million Term Loan A ("Term Loan A") and a \$1.0 billion revolving credit facility (the "Revolving Credit Facility"), with a sub-limit for letters of credit of \$200.0 million. As of December 31, 2024, the maturity date of Term Loan A and the Revolving Commitments is September 7, 2027. Voluntary prepayments of Term Loan A and the Revolving Loans are permitted at any time, in minimum principal amounts, without premium or penalty. Booz Allen Hamilton's obligations and the guarantors' guarantees under the Credit Agreement were secured by a first priority lien on substantially all of the assets (including capital stock of subsidiaries) of Booz Allen Hamilton, Investor and the subsidiary guarantors, subject to certain exceptions set forth in the Credit Agreement and related documentation; such security was released in connection with Booz Allen Hamilton obtaining investment grade ratings from both Moody's and S&P. On September 7, 2022 (the "Ninth Amendment Effective Date"), the previously outstanding Term Loan B loans under the Credit Agreement were prepaid in full.

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On July 27, 2023 (the “Tenth Amendment Effective Date”), Booz Allen Hamilton entered into a Tenth Amendment (the “Amendment”) to the Credit Agreement (as amended prior to the Tenth Amendment Effective Date, the “Existing Credit Agreement” and, as amended by the Amendment, the “Amended Credit Agreement”) with Bank of America, N.A., as administrative agent (in such capacity, the “Administrative Agent”), and the lenders and other financial institutions party thereto, in order to make permanent certain changes to the Existing Credit Agreement in connection with Booz Allen Hamilton obtaining investment grade ratings from both Moody's and S&P and prepaying the Term Loan B loans in full and to make certain additional changes in connection therewith, including, among other things, (i) removing the requirements for the obligations under the Amended Credit Agreement to be secured, (ii) removing the requirement for any subsidiary or other affiliate of Booz Allen Hamilton (other than the Company) to provide any guarantee of the obligations under the Amended Credit Agreement, and (iii) removing or modifying certain covenants applicable to Booz Allen Hamilton. Pursuant to the Amendment, all guarantees in respect of the Existing Credit Agreement have been released. The Amendment did not impact any of the terms of the Credit Agreement related to amortization or payments.

On the Tenth Amendment Effective Date in connection with the Amendment, the Company entered into a Guarantee Agreement (the “Guarantee Agreement”) in favor of the Administrative Agent, pursuant to which the Company guarantees on an unsecured basis the obligations of Booz Allen Hamilton under the Amended Credit Agreement subject to certain conditions. Pursuant to the Amended Credit Agreement Booz Allen Hamilton has the option, though not any obligation, to join one or more of its domestic subsidiaries as a guarantor under the Guarantee Agreement.

Term Loan A amortizes in consecutive quarterly installments in an amount equal to (i) on the last business day of each full fiscal quarter that begins after the Ninth Amendment Effective Date but on or before the two year anniversary of the Ninth Amendment Effective Date, 0.625% of the stated principal amount of Term Loan A and (ii) on the last business day of each full fiscal quarter that begins after the two year anniversary of the Ninth Amendment Effective Date but before the five year anniversary of the Ninth Amendment Effective Date, 1.25% of the stated principal amount of Term Loan A. The remaining balance of Term Loan A will be payable upon maturity.

The rate at which Term Loan A and the Revolving Loans bear interest will be based either on Term SOFR (subject to a 0.10% adjustment and a floor of zero) for the applicable interest period or a base rate (equal to the highest of (i) the administrative agent's prime corporate rate, (ii) the overnight federal funds rate plus 0.50% and (iii) three-month Term SOFR (subject to a 0.10% adjustment and a floor of zero) plus 1.00%), in each case plus an applicable margin, payable at the end of the applicable interest period and in any event at least quarterly. The applicable margin for Term Loan A and the Revolving Loans ranges from 1.00% to 2.00% for Term SOFR loans and zero to 1.00% for base rate loans, in each case based on the lower of (i) the applicable rate per annum determined pursuant to a consolidated total net leverage ratio grid and (ii) the applicable rate per annum determined pursuant to a ratings grid. Unused Revolving Commitments are subject to a quarterly fee ranging from 0.10% to 0.35% based on the lower of (i) the applicable fee rate per annum determined pursuant to a consolidated total net leverage ratio grid and (ii) the applicable fee rate per annum determined pursuant to a ratings grid. Booz Allen Hamilton has also agreed to pay customary letter of credit and agency fees.

The Company occasionally borrows under the Revolving Credit Facility for our working capital needs. There were no borrowings during the nine months ended December 31, 2024 and as of December 31, 2024 and March 31, 2024, respectively, there was no outstanding balance on the Revolving Credit Facility.

Borrowings under Term Loan A, and if used, the Revolving Credit Facility, incur interest at a variable rate. As of December 31, 2024, the Company had interest rate swaps with an aggregate notional amount of \$550.0 million. These instruments hedge the variability of cash outflows for interest payments on a portion of the Company's floating rate borrowings under the Credit Agreement. The Company's objectives in using cash flow hedges are to reduce volatility due to interest rate movements and to add stability to interest expense (See Note 9, “Derivatives,” to our condensed consolidated financial statements).

The Credit Agreement contains customary representations and warranties and customary affirmative and negative covenants. In connection with Booz Allen Hamilton obtaining investment grade ratings from both Moody's and S&P, certain activities previously restricted by certain negative covenants are permitted subject to pro forma compliance with the financial covenants and no events of default having occurred or are continuing. In addition, Booz Allen Hamilton is required to meet certain financial covenants at each quarter end, specifically the consolidated net total leverage ratio. As of December 31, 2024 and March 31, 2024, Booz Allen Hamilton was in compliance with all financial covenants associated with its debt and debt-like instruments.

Senior Notes

The following table summarizes the material terms of the Company's Senior Notes as of December 31, 2024:

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	Indenture Date	Principal	Interest Rate	Maturity Date	Interest Payable	Issuance Costs
Senior Notes due 2033	8/4/2023	\$ 650,000	5.950%	8/4/2033	February and August 4	\$ 12,400
Senior Notes due 2029	6/17/2021	500,000	4.000%	7/1/2029	July and January 1	6,500
Senior Notes due 2028	8/24/2020	700,000	3.875%	9/1/2028	March and September 1	9,200
Total		<u>\$ 1,850,000</u>				<u>\$ 28,100</u>

Interest is payable semi-annually in cash in arrears, with the principal due at maturity. Issuance Costs were recorded as an offset against the carrying value of respective debt and are being amortized to interest expense over the term of the respective debt. For further information on the Senior Notes, including terms, conditions, restrictions and redemption options, see Note 10, "Debt," of the Company's consolidated financial statements included in the fiscal 2024 Annual Report on Form 10-K.

All Senior Notes' indentures contain certain covenants, events of default and other customary provisions. In connection with the Senior Notes obtaining investment grade ratings from Moody's and S&P in January 2023, certain negative covenants in the indentures governing the Senior Notes 2028 and Senior Notes 2029 were suspended, and the related guarantees were released. The Senior Notes due 2033 are fully and unconditionally guaranteed on an unsecured and unsubordinated basis by Booz Allen Hamilton Holding Corporation, pursuant to the relevant indenture.

Interest Expense

Interest expense consisted of the following:

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2024	2023	2024	2023
	(In thousands)		(In thousands)	
Term Loan A	24,215	27,459	77,838	80,874
Revolving Credit Facility	—	—	—	1,438
Senior Notes	21,451	21,451	64,350	51,243
Amortization of Debt Issuance Cost (DIC) and Original Issue Discount (OID) ⁽¹⁾	1,383	1,335	4,105	3,580
Interest Rate Swaps	(1,843)	(3,846)	(8,304)	(11,117)
Other	423	183	616	794
Total Interest Expense	<u>\$ 45,629</u>	<u>\$ 46,582</u>	<u>\$ 138,605</u>	<u>\$ 126,812</u>

⁽¹⁾ DIC and OID on the Term Loans and Senior Notes are recorded as a reduction of long-term debt in the condensed consolidated balance sheet and are amortized ratably over the life of the related debt using the effective rate method. DIC on the Company's Revolving Credit Facility is recorded as a long-term asset on the condensed consolidated balance sheet and amortized ratably over the term of the Revolving Credit Facility.

9. Derivatives

The Company utilizes derivative financial instruments to manage interest rate risk related to its variable rate debt. The Company's objectives in using these interest rate derivatives, which were designated as cash flow hedges, are to manage its exposure to interest rate movements and reduce volatility of interest expense.

The following table summarizes the material terms of the Company's outstanding interest rate swap derivative contracts as of December 31, 2024:

Effective Date	Maturity Date	Terms	Notional Amount
April 28, 2023	June 30, 2025	Variable to Fixed	\$ 200,000
June 30, 2023	June 30, 2026	Variable to Fixed	150,000
June 28, 2024	June 30, 2027	Variable to Fixed	200,000
Total \$			550,000

The variable-to-fixed interest rate swaps effectively convert a portion of the variable rate debt into fixed interest rate debt.

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Derivative instruments are recorded in the condensed consolidated balance sheet on a gross basis at estimated fair value. As of December 31, 2024, \$2.7 million, \$0.2 million, \$0.5 million and \$1.2 million were classified as other current assets, other long-term assets, other current liabilities and other long-term liabilities, respectively, on the condensed consolidated balance sheet. As of March 31, 2024, \$8.7 million and \$1.6 million were classified as other current assets and other long-term assets, respectively, on the condensed consolidated balance sheet.

For interest rate swaps designated as cash flow hedges, the changes in the fair value of derivatives are recorded in Accumulated Other Comprehensive Income ("AOCI"), net of taxes, and are subsequently reclassified into interest expense, net in the period that the hedged forecasted interest payments are made on the Company's variable-rate debt. The effect of derivative instruments on the accompanying condensed consolidated financial statements for the periods presented is as follows:

Derivatives in Cash Flow Hedging Relationships	Pre-Tax Gain (Loss) Recognized in AOCI on Derivatives		Pre-Tax Gain Reclassified from AOCI into Income	
	Three Months Ended December 31,		Three Months Ended December 31,	
	2024	2023	2024	2023
Interest rate swaps ⁽¹⁾	\$ 6,294	\$ (4,283)	\$ 1,843	\$ 3,846

Derivatives in Cash Flow Hedging Relationships	Pre-Tax (Loss) Gain Recognized in AOCI on Derivatives		Pre-Tax Gain Reclassified from AOCI into Income	
	Nine Months Ended December 31,		Nine Months Ended December 31,	
	2024	2023	2024	2023
Interest rate swaps ⁽¹⁾	\$ (773)	\$ 7,489	\$ 8,304	\$ 11,117

⁽¹⁾ The reclassifications from accumulated other comprehensive income to net income are included in interest expense in the Condensed Consolidated Statement of Operations.

Over the next 12 months, the Company estimates that \$2.2 million will be reclassified as a decrease to interest expense. Cash flows associated with periodic settlements of interest rate swaps will be classified as operating activities in the condensed consolidated statement of cash flows.

10. Income Taxes

The Company's effective income tax rates were 24.7% and 29.8% for the three months ended December 31, 2024 and 2023, respectively, and 24.0% and 24.7% for the nine months ended December 31, 2024 and 2023, respectively. Our effective tax rates for these periods differ from the federal statutory rate of 21.0% primarily due to the inclusion of state and foreign income taxes and permanent rate differences, which are predominantly related to certain executive compensation and the accrual of reserves for uncertain tax positions, offset by research and development tax credits, excess tax benefits for employee share-based compensation, and the Foreign Derived Intangible Income deduction.

As of December 31, 2024 and March 31, 2024 the Company recorded \$131.0 million and \$115.4 million, respectively, of reserves for uncertain tax positions primarily related to research and development tax credits.

As of December 31, 2024 and March 31, 2024, the Company has recorded both a current income tax receivable (classified as prepaid expenses and other current assets) and a current income tax payable (classified as other current liabilities) on its condensed consolidated balance sheet. These amounts are reflective of fiscal 2025 and 2024 tax accruals in each U.S. Federal, state, and foreign jurisdiction, as adjusted for estimated payments made to date. In addition, as of December 31, 2024 and March 31, 2024, the Company has recorded a long-term income tax receivable of \$152.5 million, which represents the amended U.S. federal return refund claims for research and development tax credits and the carryback claim for the fiscal 2021 net operating loss which is classified as other long-term assets on the condensed consolidated balance sheet. The Company is currently under federal audit by the IRS for fiscal years 2016, 2017, and 2019-2021 and the receipt of our U.S federal return refund claims is contingent upon the completion of the ongoing IRS audits.

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11. Employee Benefit Plans

The Company sponsors the Employees' Capital Accumulation Plan (the "ECAP") which is a qualified defined contribution plan that covers eligible U.S. and certain international employees. The ECAP provides for distributions to participants by reason of retirement, death, disability, or termination of employment. The Company provides an annual matching contribution of up to 6% of eligible annual compensation. Total expense recognized for matching contributions under the ECAP were \$62.1 million and \$55.5 million for the three months ended December 31, 2024 and 2023, respectively, and \$185.0 million and \$163.7 million for the nine months ended December 31, 2024 and 2023, respectively.

The Company also provides post-retirement healthcare benefits to former officers under a medical indemnity insurance plan, with premiums paid by the Company. As of December 31, 2024 and March 31, 2024, the unfunded status of the post-retirement medical plan was \$131.0 million and \$127.0 million, respectively, which is included in other long-term liabilities in the accompanying condensed consolidated balance sheets. Balance sheet and income statement impacts of any remaining benefit plans are immaterial for all periods presented in these condensed consolidated financial statements.

12. Accumulated Other Comprehensive Income / (Loss)

All amounts recorded in other comprehensive income are related to the Company's post-retirement plans and interest rate swaps designated as cash flow hedges. The following table shows the changes in accumulated other comprehensive income, net of tax:

	Three Months Ended December 31, 2024			Nine Months Ended December 31, 2024		
	Post- retirement plans	Derivatives designated as cash flow hedges	Totals	Post- retirement plans	Derivatives designated as cash flow hedges	Totals
Beginning of period	\$ 2,199	\$ (2,475)	\$ (276)	\$ 1,976	\$ 7,556	\$ 9,532
Other comprehensive income (loss) before reclassifications ⁽¹⁾	—	4,667	4,667	—	(573)	(573)
Amounts reclassified from accumulated other comprehensive income (loss) ⁽²⁾	111	(1,367)	(1,256)	334	(6,158)	(5,824)
Net current-period other comprehensive income (loss)	111	3,300	3,411	334	(6,731)	(6,397)
End of period	\$ 2,310	\$ 825	\$ 3,135	\$ 2,310	\$ 825	\$ 3,135

⁽¹⁾ Changes in other comprehensive income (loss) before reclassification for derivatives designated as cash flow hedges are recorded net of tax (expense) benefit of \$(1.6) million and \$0.2 million for the three and nine months ended December 31, 2024, respectively. The tax impact of other comprehensive income before reclassification for post-retirement plans for the three and nine months ended December 31, 2024 was immaterial.

⁽²⁾ The reclassifications from accumulated other comprehensive income to net income for derivatives designated as cash flow hedges are recorded net of tax expense of \$(0.5) million and \$(2.1) million for the three and nine months ended December 31, 2024, respectively. The tax impact of reclassifications from accumulated other comprehensive loss to net income for post-retirement plans for the three and nine months ended December 31, 2024 was immaterial.

	Three Months Ended December 31, 2023			Nine Months Ended December 31, 2023		
	Post- retirement plans	Derivatives designated as cash flow hedges	Totals	Post- retirement plans	Derivatives designated as cash flow hedges	Totals
Beginning of period	\$ 18,684	\$ 13,208	\$ 31,892	\$ 19,450	\$ 9,883	\$ 29,333
Other comprehensive (loss) income before reclassifications ⁽³⁾	—	(3,165)	(3,165)	—	5,535	5,535
Amounts reclassified from accumulated other comprehensive income ⁽⁴⁾	(383)	(2,841)	(3,224)	(1,149)	(8,216)	(9,365)
Net current-period other comprehensive loss	(383)	(6,006)	(6,389)	(1,149)	(2,681)	(3,830)
End of period	\$ 18,301	\$ 7,202	\$ 25,503	\$ 18,301	\$ 7,202	\$ 25,503

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- ⁽³⁾ Changes in other comprehensive income before reclassification for derivatives designated as cash flow hedges are recorded net of tax benefit (expense) of \$1.1 million and \$(2.0) million for the three and nine months ended December 31, 2023, respectively.
- ⁽⁴⁾ The reclassifications from accumulated other comprehensive income to net income for derivatives designated as cash flow hedges are recorded net of tax expense of \$(1.0) million and \$(2.9) million for the three and nine months ended December 31, 2023, respectively. The tax impact of reclassifications from accumulated other comprehensive income to net income for post-retirement plans for the three and nine months ended December 31, 2023 was immaterial.

13. Stock-Based Compensation

The following table summarizes stock-based compensation expense recognized in the condensed consolidated statements of operations:

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2024	2023	2024	2023
Cost of revenue	\$ 9,115	\$ 9,348	\$ 25,938	\$ 26,300
General and administrative expenses	16,003	14,419	44,892	34,977
Total	<u>\$ 25,118</u>	<u>\$ 23,767</u>	<u>\$ 70,830</u>	<u>\$ 61,277</u>

The following table summarizes the total stock-based compensation expense recognized in the condensed consolidated statements of operations by the following types of equity awards, including stock options, time-based and performance-based restricted stock awards. Compensation expense for performance-based awards is estimated at each reporting date using management's expectation of the probable achievement of the specified performance criteria of each tranche during the respective performance periods:

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2024	2023	2024	2023
Equity Incentive Plan Options	\$ 221	\$ 297	\$ 731	\$ 991
Restricted Stock and other awards	24,897	23,470	70,099	60,286
Total	<u>\$ 25,118</u>	<u>\$ 23,767</u>	<u>\$ 70,830</u>	<u>\$ 61,277</u>

As of December 31, 2024, there was \$92.1 million of total unrecognized compensation cost related to unvested stock-based compensation agreements. Absent the effect of forfeiture or acceleration of stock compensation cost for any departures of employees, the following table summarizes the unrecognized compensation cost and the weighted-average period the cost is expected to be amortized (excludes any future award):

	December 31, 2024	
	Unrecognized Compensation Cost	Weighted Average Remaining Period to be Recognized (in years)
Equity Incentive Plan Options	\$ 1,514	3.10
Restricted Stock Awards	90,634	1.78
Total	<u>\$ 92,148</u>	

Equity Incentive Plan

During the nine months ended December 31, 2024, the Board of Directors granted 0.6 million time-based and performance-based restricted stock units to certain employees of the Company. The aggregate value of these awards was \$97.1 million based on the grant date fair value. The performance-based awards granted during the nine months ended December 31, 2024 included additional market conditions related to the Company's total shareholder return relative to its peer group over the three-year performance period. The Company recognizes compensation expense for these performance-based awards with market conditions based on the grant-date fair value calculated using a Monte Carlo model.

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14. Fair Value Measurements
Recurring Fair Value Measurements

The accounting standard for fair value measurements establishes a three-tier value hierarchy, which prioritizes the inputs used in measuring fair value as follows: observable inputs such as quoted prices in active markets (Level 1); inputs other than quoted prices in active markets that are observable either directly or indirectly (Level 2); and unobservable inputs in which there is little or no market data, which requires the Company to develop its own assumptions (Level 3).

A financial instrument's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The financial instruments measured at fair value in the accompanying condensed consolidated balance sheets consist of the following:

Recurring Fair Value Measurements as of December 31, 2024				
	Level 1	Level 2	Level 3	Total
Assets:				
Current derivative instruments ⁽¹⁾	\$ —	\$ 2,689	\$ —	\$ 2,689
Long-term derivative instruments ⁽¹⁾	—	228	—	228
Long-term deferred compensation plan asset ⁽²⁾	36,827	—	—	36,827
Total Assets	\$ 36,827	\$ 2,917	\$ —	\$ 39,744
Liabilities:				
Current derivative instruments ⁽¹⁾	—	522	—	522
Long-term derivative instruments ⁽¹⁾	—	1,204	—	1,204
Long-term deferred compensation plan liability ⁽²⁾	36,827	—	—	36,827
Total Liabilities	\$ 36,827	\$ 1,726	\$ —	\$ 38,553

Recurring Fair Value Measurements as of March 31, 2024				
	Level 1	Level 2	Level 3	Total
Assets:				
Current derivative instruments ⁽¹⁾	\$ —	\$ 8,713	\$ —	\$ 8,713
Long-term derivative instruments ⁽¹⁾	—	1,556	—	1,556
Long-term deferred compensation plan asset ⁽²⁾	28,957	—	—	28,957
Total Assets	\$ 28,957	\$ 10,269	\$ —	\$ 39,226
Liabilities:				
Long-term deferred compensation plan liability ⁽²⁾	28,957	—	—	28,957
Total Liabilities	\$ 28,957	\$ —	\$ —	\$ 28,957

⁽¹⁾ The Company's interest rate swaps are considered over-the-counter derivatives and fair value is estimated based on the present value of future cash flows using a model-derived valuation that uses Level 2 observable inputs such as interest rate yield curves. See Note 9, "Derivatives," to the condensed consolidated financial statements for further discussion on the Company's derivative instruments designated as cash flow hedges.

⁽²⁾ Investments in this category consist primarily of mutual funds whose fair values are determined by reference to the quoted market price per unit in active markets multiplied by the number of units held without consideration of transaction costs. These assets and liabilities represent investments held in a consolidated trust to fund the Company's non-qualified deferred compensation plan and are recorded in other long-term assets and other long-term liabilities on our condensed consolidated balance sheets.

Cash, Cash Equivalents and Marketable Securities

The fair value of the Company's cash and cash equivalents, which are Level 1 inputs, approximated its carrying value at December 31, 2024 and March 31, 2024. The Company's cash and cash equivalent balances presented on the accompanying condensed consolidated balance sheets include \$215.0 million and \$192.7 million of marketable securities in money market funds as of December 31, 2024 and March 31, 2024, respectively.

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Long-term Debt

The Company's long-term debt is carried at amortized cost and is measured at fair value quarterly for disclosure purposes. The estimated fair values are determined using quoted prices or other market information obtained from recent trading activity of the debt in markets that are not active (Level 2 inputs). The fair value is corroborated by prices derived from the interest rate spreads of recently completed leveraged loan transactions of a similar credit profile, industry, and terms to that of the Company. The fair value of the Senior Notes are determined using quoted prices or other market information obtained from recent trading activity in the high-yield bond market (Level 2 inputs). The carrying amount and estimated fair value of long-term debt consists of the following:

	December 31, 2024		March 31, 2024	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
Term Loan A	\$ 1,546,875	\$ 1,544,941	\$ 1,588,125	\$ 1,582,170
3.875% Senior Notes due 2028	700,000	662,802	700,000	656,677
4.000% Senior Notes due 2029	500,000	470,890	500,000	465,470
5.950% Senior Notes due 2033	650,000	665,158	650,000	672,815

Nonrecurring Fair Value Measurements

As of December 31, 2024 and March 31, 2024, the total of our investments that are accounted for at fair value on a non-recurring basis under the measurement alternative were \$61.9 million and \$37.4 million, respectively. While these assets are not measured at fair value on an ongoing basis, they are subject to fair value adjustments in certain circumstances (e.g., observable price changes or impairment). We did not have any material measurement adjustments during the nine months ended December 31, 2024, with the exception of the assets and liabilities acquired through our acquisitions (see Note 5, "Acquisition, Goodwill and Intangible Assets," to the condensed consolidated financial statements).

15. Commitments and Contingencies**Letters of Credit and Third-Party Guarantees**

As of December 31, 2024 and March 31, 2024, the Company was contingently liable under open standby letters of credit and bank guarantees issued by our banks in favor of third parties that totaled \$4.5 million and \$4.4 million, respectively. These letters of credit and bank guarantees primarily support insurance and bid and performance obligations. At December 31, 2024 and March 31, 2024, respectively, approximately \$1.4 million and \$1.3 million of these instruments reduced the available borrowings under the Revolving Credit Facility. The remainder is guaranteed under a separate \$7.5 million facility of which \$4.5 million and \$4.4 million was available to the Company at December 31, 2024 and March 31, 2024, respectively.

Government Contracting Matters - Provision for Claimed Costs

For both the three months ended December 31, 2024 and 2023, approximately 98% of the Company's revenue was generated from contracts where the end user was an agency or department of the U.S. government, including contracts where the Company performed either as a prime contractor or subcontractor, and regardless of the geographic location in which the work was performed. For both the nine months ended December 31, 2024 and 2023, approximately 98% of the Company's revenue was generated from such contracts. As noted in the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 2024, in the ordinary course of business, agencies of the U.S. government, including the Defense Contract Audit Agency ("DCAA"), audit the Company's claimed costs and conduct inquiries and investigations of our business practices with respect to government contracts to determine whether the Company's operations are conducted in accordance with these requirements and the terms of the relevant contracts.

Based upon information obtained from DCAA's audit findings over four historical rate years, the Company changed its estimate and reduced a portion of its provision for claimed costs during the second quarter of fiscal 2025, which resulted in a \$121.7 million increase to revenue, to reflect our best estimate of the final cost rates for the outstanding audit years. Operating income for the nine months ended December 31, 2024 was accordingly increased by \$121.7 million and net income was increased by \$90.1 million (or \$0.70 of basic and \$0.70 diluted earnings per common share for the nine months ended December 31, 2024). Our final cost rates for the recently audited years remain subject to negotiation with the Defense Contract Management Agency ("DCMA") Administrative Contracting Officer. Management believes it has recorded the appropriate provision for claimed costs for any audit, inquiry, or investigation of which it is aware that may be subject to any reductions and/or penalties. As of December 31, 2024 and March 31, 2024, the Company had recorded liabilities of approximately \$246.7 million and \$363.7 million, respectively, for estimated adjustments to claimed costs based on its historical DCAA audit results, including the final resolution of such audits with DCMA, for claimed costs incurred subsequent to fiscal 2011.

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Litigation

Our performance under U.S. government contracts and compliance with the terms of those contracts and applicable laws and regulations are subject to continuous audit, review, and investigation by the U.S. government, which may include such investigative techniques as subpoenas or civil investigative demands. Given the nature of our business, these audits, reviews, and investigations may focus, among other areas, on various aspects of procurement integrity, labor time reporting, sensitive and/or classified information access and control, executive compensation, and post government employment restrictions. We are not always aware of our status in such matters, but we are currently aware of certain pending audits and investigations involving labor time reporting, procurement integrity, and classified information access. In addition, from time to time, we are also involved in legal proceedings and investigations arising in the ordinary course of business, including those relating to employment matters, relationships with clients and contractors, intellectual property disputes, and other business matters. These legal proceedings seek various remedies, including claims for monetary damages in varying amounts, none of which are considered material, or are unspecified as to amount. Although the outcome of any such matter is inherently uncertain and may be materially adverse, based on current information, we do not expect any of the currently ongoing audits, reviews, investigations, or litigation to have a material adverse effect on our financial condition and results of operations. As of both December 31, 2024 and March 31, 2024, there were no material amounts accrued in the condensed consolidated financial statements related to these proceedings as either the amounts are immaterial or the Company is not able to reasonably estimate the expected amount or range of cost or any loss associated with these matters.

During the second quarter of fiscal 2025, the Company secured insurance recoveries of \$115.3 million from claims related to the Company's settlement described in Note 20, "Commitments and Contingencies," to the consolidated financial statements contained within our Annual Report on Form 10-K for the fiscal year ended March 31, 2024. The insurance recoveries offset our general and administrative expenses in our Condensed Consolidated Statement of Operations.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis is intended to help the reader understand our business, financial condition, results of operations, and liquidity and capital resources. You should read this discussion in conjunction with our condensed consolidated financial statements and the related notes contained elsewhere in this Quarterly Report on Form 10-Q, or Quarterly Report.

The statements in this discussion regarding industry outlook, our expectations regarding our future performance, liquidity and capital resources, and other non-historical statements in this discussion are forward-looking statements. These forward-looking statements are subject to numerous risks and uncertainties, including, but not limited to, the risks and uncertainties described in our Annual Report on Form 10-K for the fiscal year ended March 31, 2024 filed with the Securities and Exchange Commission on May 24, 2024, or Annual Report, and under Part II, “Item 1A. Risk Factors,” and “—Special Note Regarding Forward Looking Statements” of this Quarterly Report. Our actual results may differ materially from those contained in or implied by any forward-looking statements.

Our fiscal year ends March 31 and, unless otherwise noted, references to years or fiscal are for fiscal years ended March 31. See “—Results of Operations.”

Overview

Trusted to transform missions with the power of tomorrow’s technologies, Booz Allen advances the nation’s most critical civil, defense, and national security priorities. Our ability to deliver value to our clients has always been, and continues to be, a product of the strong character, expertise and tremendous passion of our people. Our approximately 35,900 employees work to solve hard problems by making clients’ missions their own, combining decades of consulting and domain expertise with functional expertise in areas such as analytics, digital solutions, engineering, cyber and artificial intelligence, all fostered by a culture of innovation that extends to all reaches of the Company.

Through our dedication to our clients’ missions, and a commitment to evolving our business to address their needs, we have longstanding relationships with our clients, the longest of which is more than 80 years. We support critical missions for a diverse base of federal government clients, including nearly all of the U.S. government’s cabinet-level departments, as well as for commercial clients, both domestically and internationally. We support our federal government clients by helping them tackle their most complex and pressing challenges such as protecting soldiers in combat and supporting their families, advancing cyber capabilities, keeping our national infrastructure secure, enabling and enhancing digital services, transforming the healthcare system, and improving government efficiency to achieve better outcomes. We serve commercial clients across industries including financial services, health and life sciences, energy, and technology.

Financial and Other Highlights

During the third quarter of fiscal 2025, the Company generated year over year revenue growth and increased client staff headcount.

Revenue increased 13.5% to \$2,917.2 million in the three months ended December 31, 2024 from \$2,569.8 million in the three months ended December 31, 2023, and increased 14.1% to \$9,005.4 million in the nine months ended December 31, 2024 from \$7,890.6 million in the nine months ended December 31, 2023. The increase was primarily driven by strong demand for our services and solutions as well as continued headcount growth and higher billable expenses. In addition, revenue was positively impacted by \$121.7 million representing the reduction to our provision for claimed costs recorded during the second quarter of fiscal 2025. See Note 15, “Commitments and Contingencies,” to the condensed consolidated financial statements for further information.

Operating income increased 17.7% to \$291.3 million in the three months ended December 31, 2024 from \$247.6 million in the three months ended December 31, 2023, which reflects an increase in operating margin from 9.6% to 10.0%. Operating income increased 46.2% to \$1,095.0 million in the nine months ended December 31, 2024 from \$749.0 million in the nine months ended December 31, 2023, which reflects an increase in operating margin from 9.5% to 12.2%. Operating income was primarily driven by the same drivers benefiting revenue growth as well as strong contract-level performance coupled with ongoing cost management efforts. Margins were impacted by a decrease in general and administrative expenses in the year to date period resulting from \$115.3 million in insurance recoveries from claims related to the Company’s fiscal 2024 settlement as described in Note 20, “Commitments and Contingencies,” to the consolidated financial statements contained within the Annual Report on Form 10-K for the fiscal year ended March 31, 2024.

Non-GAAP Measures

We publicly disclose certain non-GAAP financial measurements, including 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 Earnings Per Share, or Adjusted Diluted EPS. We view 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 our core operating business, which exclude the impact of the items detailed below, 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. In addition, 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. We also utilize and discuss Free Cash Flow because management uses this measure for business planning purposes, measuring the cash generating ability of the operating business, and measuring liquidity generally. We present these supplemental measures because we believe that these measures provide investors and securities analysts with important supplemental information with which to evaluate our performance, long-term earnings potential, or liquidity, as applicable, and to enable them to assess our performance on the same basis as management. These supplemental performance measurements may vary from and may not be comparable to similarly titled measures by other companies in our 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, and Free Cash Flow are not recognized measurements under accounting principles generally accepted in the United States, or GAAP, and when analyzing our performance or liquidity, as applicable, investors should (i) evaluate each adjustment in our reconciliation of revenue to Revenue, Excluding Billable Expenses, operating income to Adjusted Operating Income, net income to Adjusted EBITDA, Adjusted EBITDA Margin on Revenue, Adjusted EBITDA Margin on Revenue, Excluding Billable Expenses, Adjusted Net Income and Adjusted Diluted Earnings Per Share, and net cash provided by operating activities to Free Cash Flow, (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 and (iii) use Free Cash Flow in addition to, and not as an alternative to, net cash provided by operating activities as a measure of liquidity, each as defined under GAAP. We have defined the aforementioned non-GAAP measures as follows:

- “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 change in provision for claimed costs for historical rate years, acquisition and divestiture costs, financing transaction costs, significant acquisition amortization, the reserve associated with the U.S. Department of Justice investigation disclosed in Note 20, “Commitments and Contingencies,” in the Annual Report on Form 10-K for the fiscal year ended March 31, 2024, and insurance recoveries related to the Company’s fiscal 2024 settlement disclosed in Note 20, “Commitments and Contingencies,” in the Annual Report on Form 10-K for the fiscal year ended March 31, 2024. We prepare Adjusted Operating Income to eliminate the impact of items we do not consider indicative of ongoing operating performance due to their inherent unusual, extraordinary, or non-recurring nature or because they result from an event of a similar nature.
- “Adjusted EBITDA” represents net income before income taxes, net interest and other expense and depreciation and amortization and before certain other items, including change in provision for claimed costs for historical rate years, acquisition and divestiture costs, financing transaction costs, the reserve associated with the U.S. Department of Justice investigation disclosed in Note 20, “Commitments and Contingencies,” in the Annual Report on Form 10-K for the fiscal year ended March 31, 2024, and insurance recoveries related to the Company’s fiscal 2024 settlement disclosed in Note 20, “Commitments and Contingencies,” in the Annual Report on Form 10-K for the fiscal year ended March 31, 2024. “Adjusted EBITDA Margin on Revenue” is calculated as Adjusted EBITDA divided by revenue. “Adjusted EBITDA Margin on Revenue, Excluding Billable Expenses” is calculated as Adjusted EBITDA divided by Revenue, Excluding Billable Expenses. The Company prepares Adjusted EBITDA, Adjusted EBITDA Margin on Revenue, and Adjusted EBITDA Margin on Revenue, Excluding Billable Expenses to eliminate the impact of items it does not consider indicative of ongoing operating performance due to their inherent unusual, extraordinary or non-recurring nature or because they result from an event of a similar nature.

- “Adjusted Net Income” represents net income before: (i) change in provision for claimed costs for historical rate years, (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 20, “Commitments and Contingencies,” in the Annual Report on Form 10-K for the fiscal year ended March 31, 2024, (vi), insurance recoveries related to the Company’s fiscal 2024 settlement disclosed in Note 20, “Commitments and Contingencies,” in the Annual Report on Form 10-K for the fiscal year ended March 31, 2024, and (vii) amortization or write-off of debt issuance costs and debt discount, in each case net of the tax effect where appropriate calculated using an assumed effective tax rate. We prepare Adjusted Net Income to eliminate the impact of items, net of tax, we do not consider indicative of ongoing operating performance due to their inherent unusual, extraordinary, or non-recurring nature or because they result from an event of a similar nature. We view Adjusted Net Income as an important indicator of performance consistent with the manner in which management measures and forecasts the Company's performance and the way in which management is incentivized to perform.
- “Adjusted Diluted EPS” represents diluted EPS calculated using Adjusted Net Income as opposed to net income. Additionally, Adjusted Diluted EPS does not contemplate any adjustments to net income as required under the two-class method as disclosed in the footnotes to the condensed consolidated financial statements.
- “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.

Below is a reconciliation of Revenue, Excluding Billable Expenses, Adjusted Operating Income, Adjusted EBITDA, Adjusted EBITDA Margin on Revenue, Adjusted EBITDA Margin on Revenue, Excluding Billable Expenses, Adjusted Net Income, Adjusted Diluted EPS, and Free Cash Flow to the most directly comparable financial measure calculated and presented in accordance with GAAP.

(In thousands, except share and per share data)	Three Months Ended December 31,		Nine Months Ended December 31,	
	2024	2023	2024	2023
	(Unaudited)		(Unaudited)	
Revenue, Excluding Billable Expenses				
Revenue	\$ 2,917,190	\$ 2,569,801	\$ 9,005,373	\$ 7,890,569
Less: Billable expenses	938,534	799,896	2,851,537	2,436,988
Revenue, Excluding Billable Expenses*	<u>\$ 1,978,656</u>	<u>\$ 1,769,905</u>	<u>\$ 6,153,836</u>	<u>\$ 5,453,581</u>
Adjusted Operating Income				
Operating income	\$ 291,259	\$ 247,558	\$ 1,095,032	\$ 748,965
Change in provision for claimed costs (a)	—	—	(113,112)	(18,345)
Acquisition and divestiture costs (b)	306	1,952	7,693	5,480
Financing transaction costs (c)	—	—	—	820
Significant acquisition amortization (d)	13,386	13,597	39,396	40,301
Legal matter reserve (e)	—	—	—	27,453
Insurance recoveries (f)	—	—	(115,320)	—
Adjusted Operating Income	<u>\$ 304,951</u>	<u>\$ 263,107</u>	<u>\$ 913,689</u>	<u>\$ 804,674</u>
EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin on Revenue & Adjusted EBITDA Margin on Revenue, Excluding Billable Expenses				
Net income	\$ 186,950	\$ 145,644	\$ 742,295	\$ 477,750
Income tax expense	61,446	61,740	233,814	156,291
Interest and other, net (g)	42,863	40,174	118,923	114,924
Depreciation and amortization	40,156	41,113	123,341	123,867
EBITDA	331,415	288,671	1,218,373	872,832
Change in provision for claimed costs (a)	—	—	(113,112)	(18,345)
Acquisition and divestiture costs (b)	306	1,952	7,693	5,480
Financing transaction costs (c)	—	—	—	820
Legal matter reserve (e)	—	—	—	27,453
Insurance recoveries (f)	—	—	(115,320)	—
Adjusted EBITDA	<u>\$ 331,721</u>	<u>\$ 290,623</u>	<u>\$ 997,634</u>	<u>\$ 888,240</u>
Net income margin	6.4%	5.7%	8.2%	6.1%
Adjusted EBITDA Margin on Revenue	11.4%	11.3%	11.1%	11.3%
Adjusted EBITDA Margin on Revenue, Excluding Billable Expenses	16.8%	16.4%	16.2%	16.3%

(In thousands, except share and per share data)	Three Months Ended December 31,		Nine Months Ended December 31,	
	2024	2023	2024	2023
	(Unaudited)		(Unaudited)	
Adjusted Net Income				
Net income	\$ 186,950	\$ 145,644	\$ 742,295	\$ 477,750
Change in provision for claimed costs (a)	—	—	(113,112)	(18,345)
Acquisition and divestiture costs (b)	306	1,952	7,693	5,480
Financing transaction costs (c)	—	—	—	820
Significant acquisition amortization (d)	13,386	13,597	39,396	40,301
Legal matter reserve (e)	—	—	—	27,453
Insurance recoveries (f)	—	—	(115,320)	—
Amortization and write-off of debt issuance costs and debt discount	1,099	1,062	3,264	2,950
Adjustments for tax effect (h)	(3,845)	22,048	46,301	10,094
Adjusted Net Income	\$ 197,896	\$ 184,303	\$ 610,517	\$ 546,503
Adjusted Diluted Earnings Per Share				
Weighted-average number of diluted shares outstanding	127,940,137	130,489,050	128,909,493	131,058,754
Diluted earnings per share	\$ 1.45	\$ 1.11	\$ 5.73	\$ 3.62
Adjusted Net Income Per Diluted Share (i)	\$ 1.55	\$ 1.41	\$ 4.74	\$ 4.17
Free Cash Flow				
Net cash provided by (used in) operating activities	\$ 150,772	\$ 233,985	\$ 789,991	\$ 115,068
Less: Purchases of property, equipment and software	(17,181)	(23,096)	(73,428)	(50,532)
Free cash flow	\$ 133,591	\$ 210,889	\$ 716,563	\$ 64,536
Operating cash flow conversion	81%	161%	106%	24%
Free cash flow conversion	68%	114%	117%	12%

* Revenue, Excluding Billable Expenses includes \$113.1 million and \$18.3 million of revenue for the nine months ending December 31, 2024 and 2023 respectively, resulting from the reduction to our provision for claimed costs as noted below.

- (a) Represents the reduction to our provision for claimed costs for years prior to fiscal 2025 recorded during the second quarters of fiscal 2025 and 2024, which resulted in a corresponding increase to revenue, as a result of the Defense Contract Audit Agency's findings related to its audits of our claimed costs for multiple fiscal years. See Note 15, "Commitments and Contingencies," to the condensed consolidated financial statements 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. Transactions primarily include the acquisitions of EverWatch Corp. ("EverWatch") in fiscal 2023 and PAR Government Systems Corporation ("PGSC") in fiscal 2025. See Note 5, "Acquisition, Goodwill, and Intangible Assets," to the condensed consolidated financial statements for further information.
- (c) Reflects expenses associated with debt financing activities incurred during the second quarter of fiscal 2024.
- (d) Amortization expense associated with acquired intangibles from significant acquisitions.
- (e) Reserve associated with the U.S. Department of Justice's investigation of the Company. See Note 20, "Commitments and Contingencies," to the consolidated financial statements contained within the Annual Report on Form 10-K for the fiscal year ended March 31, 2024 for further information.
- (f) Reflects insurance recoveries from claims related to the Company's fiscal 2024 settlement as described in Note 20, "Commitments and Contingencies," to the consolidated financial statements contained within the Annual Report on Form 10-K for the fiscal year ended March 31, 2024.
- (g) Reflects the combination of Interest expense and Other income, net from the condensed consolidated statement of operations.
- (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 prior period tax effect also includes an adjustment related to the indirect effects of 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).

- (i) Excludes adjustments of approximately \$1.1 million and \$4.1 million of net earnings for the three and nine months ended December 31, 2024, respectively, and approximately \$1.2 million and \$3.9 million of net earnings for the three and nine months ended December 31, 2023, respectively, associated with the application of the two-class method for computing diluted earnings per share.

Factors and Trends Affecting Our Results of Operations

Our results of operations have been, and we expect them to continue to be, affected by the following factors, which may cause our future results of operations to differ from our historical results of operations discussed under “—Results of Operations.”

Business Environment and Key Trends in Our Markets

We believe that the following trends and developments in the U.S. government services industry and our markets may influence our future results of operations:

- uncertainty around the timing, extent, nature and effect of Congressional and other U.S. government actions to approve funding of the U.S. government, address budgetary constraints, including caps on the discretionary budget for defense and non-defense departments and agencies, as established by the Bipartisan Budget Control Act of 2011 (“BCA”) and subsequently adjusted by the American Taxpayer Relief Act of 2012, the Bipartisan Budget Act of 2013, the Bipartisan Budget Act of 2015, the Bipartisan Budget Act of 2018, and the Bipartisan Budget Act of 2019, the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”), and the Consolidated Appropriations Act of 2021, and address the ability of Congress to determine how to allocate the available budget authority and pass appropriations bills to fund both U.S. government departments and agencies that are, and those that are not, subject to the caps;
- budget deficits and the growing U.S. national debt increasing pressure on the U.S. government to reduce federal spending across all federal agencies together with associated uncertainty about the size and timing of those reductions;
- cost-cutting and efficiency initiatives, current and future budget restrictions, continued implementation of Congressionally mandated automatic spending cuts, and other efforts to reduce U.S. government spending could cause clients to reduce or delay funding for orders for services or invest appropriated funds on a less consistent or rapid basis or not at all, particularly when considering long-term initiatives and in light of current uncertainty around Congressional efforts to craft a long-term agreement on the U.S. government's ability to incur indebtedness in excess of its current limits, and generally in the current political environment, there is a risk that clients will not issue task orders in sufficient volume to reach current contract ceilings, alter historical patterns of contract awards, including the typical increase in the award of task orders or completion of other contract actions by the U.S. government in the period before the end of the U.S. government's fiscal year on September 30, delay requests for new proposals and contract awards, rely on short-term extensions and funding of current contracts, or reduce staffing levels and hours of operation;
- delays in the completion of future U.S. government’s budget processes, which have in the past and could in the future delay procurement of the products, services, and solutions we provide;
- changes in the relative mix of overall U.S. government spending and areas of spending growth, with lower spending on homeland security, intelligence, defense-related programs as certain overseas operations end, and continued increased spending on cybersecurity, Command, Control, Communications, Computers, Intelligence, Surveillance, and Reconnaissance (C4ISR), advanced analytics, technology integration, and healthcare, including as a result of the presidential and administration transition;
- the extent, nature and effect of disease outbreaks, pandemics and widespread health epidemics, such as COVID-19, including the impact on federal budgets, current and pending procurements, supply chains, demand for services, deployment and productivity of our employees and the economic and societal impact of a pandemic, and the expected continued volatility in billable expenses;
- increased inflationary pressure that could impact the cost of doing business and/or reduce customer buying power;
- risks related to a possible recession and volatility or instability of the global financial system, including bank failures and the resulting impact on counterparties and business conditions generally;
- legislative and regulatory changes, or shifts in regulatory priorities as a result of U.S. administration transitions, including limitations on the amount of allowable executive compensation permitted under flexibly priced contracts following implementation of interim rules adopted by federal agencies pursuant to the Bipartisan Budget Act of 2013, which substantially further reduce the amount of allowable executive compensation under these contracts and extend these limitations to a larger segment of our executives and our entire contract base;

- efforts by the U.S. government to address organizational conflicts of interest and related issues and the impact of those efforts on us and our competitors;
- increased audit, review, investigation, and general scrutiny by U.S. government agencies of government contractors' performance under U.S. government contracts and compliance with the terms of those contracts and applicable laws;
- the federal focus on refining the definition of “inherently governmental” work, including proposals to limit contractor access to sensitive or classified information and work assignments, which will continue to drive pockets of insourcing in various agencies, particularly in the intelligence market;
- negative publicity and increased scrutiny of government contractors in general, including us, relating to U.S. government expenditures for contractor services and incidents involving the mishandling of sensitive or classified information;
- U.S. government agencies awarding contracts on a technically acceptable/lowest cost basis, which could have a negative impact on our ability to win certain contracts;
- increased competition from other government contractors and market entrants seeking to take advantage of certain of the trends identified above, and an industry trend towards consolidation, which may result in the emergence of companies that are better able to compete against us;
- cost cutting and efficiency and effectiveness efforts by U.S. civilian agencies with a focus on increased use of performance measurement, “program integrity” efforts to reduce waste, fraud and abuse in entitlement programs, and renewed focus on improving procurement practices for and interagency use of IT services, including through the use of cloud based options and data center consolidation;
- restrictions by the U.S. government on the ability of federal agencies to use lead system integrators, in response to cost, schedule, and performance problems with large defense acquisition programs where contractors were performing the lead system integrator role;
- increasingly complex requirements and enforcement and reporting landscapes of the Department of Defense and the U.S. intelligence community, including cybersecurity, managing federal health care cost growth, competition, and focus on reforming existing government regulation of various sectors of the economy, such as financial regulation and healthcare; and
- increasing small business regulations across the Department of Defense and civilian agency clients continue to gain traction, agencies are required to meet high small business set aside targets, and large business prime contractors are required to subcontract in accordance with considerable small business participation goals necessary for contract award.

Sources of Revenue

Substantially all of our revenue is derived from services provided under contracts and task orders with the U.S. government, primarily by our client staff and, to a lesser extent, our subcontractors. Funding for our contracts and task orders is generally linked to trends in budgets and spending across various U.S. government agencies and departments. We provide services under a large portfolio of contracts and contract vehicles to a broad client base, and we believe that our diversified contract and client base lessens potential volatility in our business; however, a reduction in the amount of services that we are contracted to provide to the U.S. government or any of our significant U.S. government clients could have a material adverse effect on our business and results of operations. In particular, the Department of Defense is one of our significant clients, and the BCA originally required nine automatic spending cuts (referred to as “sequestration”) of \$109 billion annually from 2013 to 2021, half of which was intended to come from defense programs, though less than \$1 billion has been cut for defense programs per year under the BCA. Mandatory sequestrations under the BCA were subsequently extended by the Bipartisan Budget Acts of 2013, 2015, 2018 and 2019, the Military Retired Pay Restoration Act, the CARES Act and the Infrastructure Investment and Jobs Act. The extension of the mandatory sequestration applies an 8.3% reduction in defense spending in each year from 2021 through 2031. This could result in a commensurate reduction in the amount of services that we are contracted to provide to the Department of Defense and could have a material adverse effect on our business and results of operations, and given the uncertainty of when and how these automatic reductions required by the BCA may return and/or be applied, we are unable to predict the nature or magnitude of the potential adverse effect.

Contract Types

We generate revenue under the following three basic types of contracts:

- *Cost-Reimbursable Contracts.* Cost-reimbursable contracts provide for the payment of allowable costs incurred during performance of the contract, up to a ceiling based on the amount that has been funded, plus a fixed fee or award fee. As we increase or decrease our spending on allowable costs, our revenue generated on cost-reimbursable contracts will increase, up to the ceiling and funded amounts, or decrease, respectively. We generate revenue under two general types of cost-reimbursable contracts: cost-plus-fixed-fee and cost-plus-award-fee, both of which reimburse allowable costs and provide for a fee. The fee under each type of cost-reimbursable contract is generally payable upon completion of services in accordance with the terms of the contract. Cost-plus-fixed-fee contracts offer no opportunity for payment beyond the fixed fee. Cost-plus-award-fee contracts also provide for an award fee that varies within specified limits based upon the client’s assessment of our performance against a predetermined set of criteria, such as targets for factors like cost, quality, schedule, and performance.
- *Time-and-Materials Contracts.* Under contracts in this category, we are paid a fixed hourly rate for each direct labor hour expended, and we are reimbursed for billable material costs and billable out-of-pocket expenses inclusive of allocable indirect costs. We assume the financial risk on time-and-materials contracts because our costs of performance may exceed negotiated hourly rates. To the extent our actual direct labor, including allocated indirect costs, and associated billable expenses decrease or increase in relation to the fixed hourly billing rates provided in the contract, we will generate more or less profit, respectively, or could incur a loss.
- *Fixed-Price Contracts.* Under a fixed-price contract, we agree to perform the specified work for a predetermined price. To the extent our actual direct and allocated indirect costs decrease or increase from the estimates upon which the price was negotiated, we will generate more or less profit, respectively, or could incur a loss. Some fixed-price contracts have a performance-based component, pursuant to which we can earn incentive payments or incur financial penalties based on our performance. Fixed-price level of effort contracts require us to provide a specified level of effort (i.e., labor hours), over a stated period of time, for a fixed price.

The amount of risk and potential reward varies under each type of contract. Under cost-reimbursable contracts, there is limited financial risk, because we are reimbursed for all allowable costs up to a ceiling. However, profit margins on this type of contract tend to be lower than on time-and-materials and fixed-price contracts. Under time-and-materials contracts, we are reimbursed for the hours worked using the predetermined hourly rates for each labor category. In addition, we are typically reimbursed for other contract direct costs and expenses at cost. We assume financial risk on time-and-materials contracts because our labor costs may exceed the negotiated billing rates. Profit margins on well-managed time-and-materials contracts tend to be higher than profit margins on cost-reimbursable contracts as long as we are able to staff those contracts with people who have an appropriate skill set. Under fixed-price contracts, we are required to deliver the objectives under the contract for a predetermined price. Compared to time-and-materials and cost-reimbursable contracts, fixed-price contracts generally offer higher profit margin opportunities because we receive the full benefit of any cost savings but generally involve greater financial risk because we bear the impact of any cost overruns. In the aggregate, the contract type mix in our revenue for any given period will affect that period's profitability. Changes in contract type as a result of re-competed and new business could influence the percentage/mix in unanticipated ways.

The table below presents the percentage of total revenue for each type of contract as of the respective periods presented:

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2024	2023	2024	2023
Cost-reimbursable	57%	55%	57%	55%
Time-and-materials	23%	24%	23%	24%
Fixed-price	20%	21%	20%	21%

Contract Diversity and Revenue Mix

We provide services to our clients through a large number of single award contracts, contract vehicles, and multiple award contract vehicles. Most of our revenue is generated under indefinite delivery/indefinite quantity, or IDIQ, contract vehicles, which include multiple award government wide acquisition contract vehicles, or GWACs, and General Services Administration Multiple Award Schedule Contracts, or GSA schedules, and certain single award contracts. GWACs and GSA schedules are available to all U.S. government agencies. Any number of contractors typically competes under multiple award IDIQ contract vehicles for task orders to provide particular services, and we earn revenue under these contract vehicles only to the extent that we are successful in the bidding process for task orders.

We generate revenue under our contracts and task orders through our provision of services as both a prime contractor and subcontractor, as well as from the provision of services by subcontractors under contracts and task orders for which we act as the prime contractor. The mix of these types of revenue affects our operating margin. Substantially all of our operating margin is derived from direct client staff labor, as the portion of our operating margin derived from fees we earn on services provided by our subcontractors is not significant. We view growth in direct client staff labor as the primary driver of earnings growth. Direct client staff labor growth is driven by client staff headcount growth, after attrition, and total backlog growth.

Our People

Revenue from our contracts is derived from services delivered by client staff and, to a lesser extent, from our subcontractors. Our ability to hire, retain, and deploy talent with skills appropriately aligned with client needs is critical to our ability to grow our revenue. We continuously evaluate whether our talent base is properly sized and appropriately compensated, and contains an optimal mix of skills to be cost competitive and meet the rapidly evolving needs of our clients. We seek to achieve that result through recruitment and management of capacity and compensation. As of December 31, 2024 and 2023, we employed approximately 35,900 and 33,800 people, respectively, of which approximately 32,700 and 30,900, respectively, were client staff.

Contract Backlog

We define backlog to include the following three components:

- *Funded Backlog.* Funded backlog represents the revenue value of orders for services under existing contracts for which funding is appropriated or otherwise authorized less revenue previously recognized on these contracts.
- *Unfunded Backlog.* Unfunded backlog represents the revenue value of orders (including optional orders) for services under existing contracts for which funding has not been appropriated or otherwise authorized.
- *Priced Options.* Priced contract options represent 100% of the revenue value of all future contract option periods under existing contracts that may be exercised at our clients' option and for which funding has not been appropriated or otherwise authorized.

Our backlog does not include contracts that have been awarded but are currently under protest and also does not include any task orders under IDIQ contracts, except to the extent that task orders have been awarded to us under those contracts.

The following table summarizes the value of our contract backlog as of the respective periods presented:

	December 31, 2024	December 31, 2023
	(In millions)	
Backlog (1):		
Funded	\$ 5,330	\$ 5,246
Unfunded	9,340	9,195
Priced options	24,743	19,880
Total backlog	\$ 39,413	\$ 34,321

(1) Backlog presented includes backlog acquired from the Company's acquisition of PGSC during the nine months ended December 31, 2024. Total backlog acquired from PGSC was approximately \$230.5 million at the date of acquisition.

Our total backlog consists of remaining performance obligations, certain orders under contracts for which the period of performance has expired, and unexercised option period and other unexercised optional orders. As of December 31, 2024 and March 31, 2024, the Company had \$9.5 billion and \$8.7 billion of remaining performance obligations, respectively. We expect to recognize approximately 70% of the remaining performance obligations as of December 31, 2024 as revenue over the next 12 months, and approximately 80% over the next 24 months. The remainder is expected to be recognized thereafter. However, given the uncertainties discussed below, as well as the risks described in "Item 1A. Risk Factors" of our Annual Report on Form 10-K for the fiscal year ended March 31, 2024, we can give no assurance that we will be able to convert our backlog into revenue in any particular period, if at all. Our backlog includes orders under contracts that in some cases extend for several years. The U.S. Congress generally appropriates funds for our clients on a yearly basis, even though their contracts with us may call for performance that is expected to take a number of years to complete. As a result, contracts typically are only partially funded at any point during their term and all or some of the work to be performed under the contracts may remain unfunded unless and until the U.S. Congress makes subsequent appropriations and the procuring agency allocates funding to the contract.

We view growth in total backlog and client staff headcount as the two key measures of our potential business growth. Growing and deploying client staff is the primary means by which we are able to achieve profitable revenue growth. To the extent that we are able to hire additional client staff and deploy them against funded backlog, we generally recognize increased revenue. Total backlog increased by 14.8% from December 31, 2023 to December 31, 2024. Additions to funded backlog during the twelve months ended December 31, 2024 and 2023 totaled \$11.9 billion and \$11.0 billion, respectively, as a result of the conversion of unfunded backlog to funded backlog, the award of new contracts and task orders under which funding was appropriated, and the exercise and subsequent funding of priced options. We report internally on our backlog on a monthly basis and review backlog upon occurrence of certain events to determine if any adjustments are necessary.

We cannot predict with any certainty the portion of our backlog that we expect to recognize as revenue in any future period and we cannot guarantee that we will recognize any revenue from our backlog. The primary risks that could affect our ability to recognize such revenue on a timely basis or at all are: program schedule changes, contract modifications, and our ability to assimilate and deploy new client staff against funded backlog; cost-cutting initiatives and other efforts to reduce U.S. government spending, which could reduce or delay funding for orders for services; and delayed funding of our contracts due to delays in the completion of the U.S. government's budgeting process and the use of continuing resolutions by the U.S. government to fund its operations. The amount of our funded backlog is also subject to change, due to, among other factors: changes in congressional appropriations that reflect changes in U.S. government policies or priorities resulting from various military, political, economic, or international developments; changes in the use of U.S. government contracting vehicles, and the provisions therein used to procure our services and adjustments to the scope of services, or cancellation of contracts, by the U.S. government at any time. In our recent experience, none of the following additional risks have had a material negative effect on our ability to realize revenue from our funded backlog: the unilateral right of the U.S. government to cancel multi-year contracts and related orders or to terminate existing contracts for convenience or default; in the case of unfunded backlog, the potential that funding will not be made available; and, in the case of priced options, the risk that our clients will not exercise their options.

In addition, contract backlog includes orders under contracts for which the period of performance has expired, and we may not recognize revenue on the funded backlog that includes such orders due to, among other reasons, the tardy submission of invoices by our subcontractors and the expiration of the relevant appropriated funding in accordance with a predetermined expiration date such as the end of the U.S. government's fiscal year. The value that was not recognized as revenue due to the expiration of a contract's period of performance did not exceed 5% of total backlog as of December 31, 2024 or any of the preceding three fiscal quarters.

We expect to recognize revenue from a substantial portion of funded backlog as of December 31, 2024 within the next twelve months. However, given the uncertainties discussed above, as well as the risks described in "Part I, Item 1A. Risk Factors," of our fiscal 2024 Annual Report on Form 10-K, we can give no assurance that we will be able to convert our backlog into revenue in any particular period, if at all.

Government Audit Impact on Operating Income

As noted in the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 2024, in the ordinary course of business, agencies of the U.S. government for which the Company is engaged as a prime contractor or a subcontractor, including the Defense Contract Audit Agency, audit the Company's claimed costs and conduct inquiries and investigations of our business practices with respect to government contracts. Such audits may result in, and have historically resulted in, the Company's inability to retain certain claimed costs, including executive and employee compensation, due to differing views of the allowability and reasonableness of such costs.

Following the settlement of the civil and criminal investigation of the Company by the U.S. Department of Justice ("DOJ") previously disclosed in Note 20, "Commitments and Contingencies," to the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 2024, audits for years subsequent to the Company's fiscal year 2011 have resumed and remain subject to final resolution. As discussed in Note 15, "Commitments and Contingencies," to the condensed consolidated financial statements, the Company recognized a reserve for estimated adjustments to historical claimed costs in respect of the years subsequent to fiscal 2011. As audits of the periods subsequent to 2011 are completed, our estimates of adjustment to claimed costs for these periods could change. Any such change could materially impact our reported revenue, operating income, net income and basic and diluted earnings per common share.

Operating Costs and Expenses

Costs associated with compensation and related expenses for our people are the most significant component of our operating costs and expenses. The principal factors that affect our costs are additional people as we grow our business and are awarded new contracts, task orders, and additional work under our existing contracts, and the hiring of people with specific skill sets and security clearances as required by our additional work.

Our most significant operating costs and expenses are described below.

- *Cost of Revenue.* Cost of revenue includes direct labor, related employee benefits, and overhead. Overhead consists of indirect costs, including indirect labor relating to infrastructure, management and administration, and other expenses.
- *Billable Expenses.* Billable expenses include direct subcontractor expenses, travel expenses, and other expenses incurred to perform on contracts.
- *General and Administrative Expenses.* General and administrative expenses include indirect labor of executive management and corporate administrative functions, marketing and bid and proposal costs, legal costs, and other discretionary spending.
- *Depreciation and Amortization.* Depreciation and amortization includes the depreciation of computers, leasehold improvements, furniture and other equipment, and the amortization of internally developed software, as well as third-party software that we use internally, and of identifiable long-lived intangible assets over their estimated useful lives.

Seasonality

The U.S. government's fiscal year ends on September 30 of each year. While not certain, it is not uncommon for U.S. government agencies to award extra tasks or complete other contract actions in the weeks before the end of its fiscal year in order to avoid the loss of unexpended fiscal year funds. In addition, we also have historically experienced higher bid and proposal costs in the months leading up to the U.S. government's fiscal year end as we pursue new contract opportunities being awarded shortly after the U.S. government fiscal year end as new opportunities are expected to have funding appropriated in the U.S. government's subsequent fiscal year. We may continue to experience this seasonality in future periods, and our future periods may be affected by it. While not certain, changes in the government's funding and spending patterns have altered historical seasonality trends, supporting our approach to managing the business on an annual basis.

Seasonality is just one of a number of factors, many of which are outside of our control, which may affect our results in any period. See "Part I, Item 1A. Risk Factors," of our fiscal 2024 Annual Report on Form 10-K.

Critical Accounting Estimates and Policies

Our critical accounting estimates and policies are disclosed in the Critical Accounting Estimates and Policies section in Part II, "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" of our Annual Report on Form 10-K for the year ended March 31, 2024. Other than the change in estimate that resulted in a reduction to our provision for claimed costs during the second quarter of fiscal 2025, there were no other material changes to our critical accounting policies, estimates or judgments that occurred during the periods covered by this report. See Note 15, "Commitments and Contingencies," to our condensed consolidated financial statements for additional information related to the aforementioned change in estimate.

Results of Operations

The following table sets forth items from our condensed consolidated statements of operations for the nine months ended December 31, 2024 and December 31, 2023:

	Three Months Ended December 31,			Nine Months Ended December 31,		
	2024	2023	Percent Change	2024	2023	Percent Change
	(Unaudited) (In thousands)	(Unaudited) (In thousands)		(Unaudited) (In thousands)	(Unaudited) (In thousands)	
Revenue	\$ 2,917,190	\$ 2,569,801	13.5 %	\$ 9,005,373	\$ 7,890,569	14.1 %
Operating costs and expenses:						
Cost of revenue	1,305,612	1,180,961	10.6 %	4,039,128	3,665,589	10.2 %
Billable expenses	938,534	799,896	17.3 %	2,851,537	2,436,988	17.0 %
General and administrative expenses	341,629	300,273	13.8 %	896,335	915,160	(2.1)%
Depreciation and amortization	40,156	41,113	(2.3)%	123,341	123,867	(0.4)%
Total operating costs and expenses	2,625,931	2,322,243	13.1 %	7,910,341	7,141,604	10.8 %
Operating income	291,259	247,558	17.7 %	1,095,032	748,965	46.2 %
Interest expense	(45,629)	(46,582)	(2.0)%	(138,605)	(126,812)	9.3 %
Other income, net	2,766	6,408	(56.8)%	19,682	11,888	65.6 %
Income before income taxes	248,396	207,384	19.8 %	976,109	634,041	54.0 %
Income tax expense	61,446	61,740	(0.5)%	233,814	156,291	49.6 %
Net income	\$ 186,950	\$ 145,644	28.4 %	\$ 742,295	\$ 477,750	55.4 %

Revenue

Revenue increased 13.5% to \$2.9 billion, and 14.1% to \$9.0 billion, respectively for the three and nine months ended December 31, 2024 as compared to the prior year period. The increase was primarily driven by strong demand for our services and solutions as well as continued headcount growth and higher billable expenses. In addition, revenue was positively impacted by \$121.7 million representing the reduction to our provision for claimed costs recorded during the second quarter of fiscal 2025 (as compared to \$18.3 million in the second quarter of fiscal 2024). See Note 15, "Commitments and Contingencies," to the condensed consolidated financial statements for further information. Total headcount as of December 31, 2024 increased by approximately 2,100 as compared to December 31, 2023.

Cost of Revenue

Cost of revenue as a percentage of revenue was 44.8% and 46.0% for the three months ended December 31, 2024 and 2023, respectively, and 44.9% and 46.5% for the nine months ended December 31, 2024 and 2023, respectively. Cost of revenue increased 10.6% and 10.2% for the three and nine months ended December 31, 2024, respectively, as compared to the three and nine months ended December 31, 2023. The increases were primarily due to increases in salaries and salary-related benefits of \$142.1 million and \$426.6 million, respectively, driven by increased headcount and salary increases, partially offset by decreases in incentive and stock based compensation of \$14.9 million and \$19.9 million, and other business expenses and professional fees of \$4.2 million and \$34.1 million, respectively, as compared to the prior year.

Billable Expenses

Billable expenses as a percentage of revenue were 32.2% and 31.1% for the three months ended December 31, 2024 and 2023, respectively, and 31.7% and 30.9% for the nine months ended December 31, 2024 and 2023, respectively. Billable expenses increased 17.3% and 17.0% for the three and nine months ended December 31, 2024, respectively, as compared to the three and nine months ended December 31, 2023. The increases were primarily attributable to increases in the use of subcontractors driven by client demand and timing of client needs, as well as increases in expenses from contracts requiring the Company to incur other direct expenses and travel on behalf of clients as compared to the prior year.

General and Administrative Expenses

General and administrative expenses as a percentage of revenue were 11.7% for both the three months ended December 31, 2024 and 2023, respectively, and 10.0% and 11.6% for the nine months ended December 31, 2024 and 2023, respectively. General and administrative expenses increased 13.8% and decreased 2.1% for the three and nine months ended December 31, 2024, respectively, as compared to the three and nine months ended December 31, 2023.

General and administrative expenses increased in the third quarter as compared to the prior year primarily due to increases in salary and salary related benefits of \$22.3 million and other business expenses of \$10.8 million. The year to date period was impacted by \$115.3 million in insurance recoveries from claims related to the Company's fiscal 2024 settlement as described in Note 20, "Commitments and Contingencies," to the consolidated financial statements contained within the Annual Report on Form 10-K for the fiscal year ended March 31, 2024, as well as a \$27.5 million reserve from fiscal 2024 associated with the U.S. Department of Justice's investigation of the Company, not present in the current year. These decreases were partially offset by increases in salary and salary related benefits of \$63.4 million, increases in other business expenses and professional fees of \$38.5 million.

Depreciation and Amortization

Depreciation and amortization expense decreased 2.3% and 0.4% for the three and nine months ended December 31, 2024, respectively, as compared to the three and nine months ended December 31, 2023, primarily driven by leasehold improvement amortization.

Interest Expense

Interest expense decreased 2.0% and increased 9.3% for the three and nine months ended December 31, 2024, respectively, as compared to the three and nine months ended December 31, 2023. A decrease in interest rates year over year contributed to the change. However, an increase in bond interest expense of \$13.1 million year over year related to the \$650.0 million Senior Notes due 2033, issued by the Company in August of fiscal 2024, drove the increase in expense for the year to date period.

Other Income, net

Other income (expense), net decreased to \$2.8 million for the three months ended December 31, 2024 from \$6.4 million for the three months ended December 31, 2023, and increased to \$19.7 million for the nine months ended December 31, 2024 from \$11.9 million for the nine months ended December 31, 2023. The decline in other income, net for the quarter to date period was primarily driven by a decline in interest income driven by a lower average cash balance and lower interest rates. The increases in other income, net for the year to date period were primarily driven by an increase of \$11.2 million in the fair value of the Company's investments reflected in the second quarter of fiscal 2025.

Income Tax Expense

Income tax expense decreased to \$61.4 million for the three months ended December 31, 2024 from \$61.7 million for the three months ended December 31, 2023, a decrease of 0.5%, and increased to \$233.8 million for the nine months ended December 31, 2024 from \$156.3 million for the nine months ended December 31, 2023, an increase of 49.6%. The quarterly effective tax rate decreased to 24.7% from 29.8% year over year. The increase in income tax expense for the year to date period was driven by reversals in the prior year period related to indirect effects of underlying prior period uncertain tax positions, not present in the current year.

Liquidity and Capital Resources

As of December 31, 2024, our total liquidity was \$1.5 billion, consisting of \$453.5 million of cash and cash equivalents and \$998.6 million available under the Revolving Credit Facility. In the opinion of management, we will be able to meet our liquidity and cash needs through a combination of cash flows from operating activities, available cash balances, and available borrowing under the Revolving Credit Facility. If these resources need to be augmented, additional cash requirements would likely be financed through the issuance of debt or equity securities.

The following table presents selected financial information as of December 31, 2024 and March 31, 2024 and for the first nine months of fiscal 2025 and 2024:

	December 31, 2024	March 31, 2024
	(Unaudited)	
	(In thousands)	
Cash and cash equivalents	\$ 453,539	\$ 554,257
Total debt	\$ 3,373,715	\$ 3,411,816

	Nine Months Ended December 31,	
	2024	2023
	(Unaudited)	(Unaudited)
	(In thousands)	
Net cash provided by operating activities	\$ 789,991	\$ 115,068
Net cash used in investing activities	(183,765)	(68,254)
Net cash (used in) provided by financing activities	(706,944)	150,137
Net (decrease) increase in cash and cash equivalents	\$ (100,718)	\$ 196,951

From time to time, we evaluate alternative uses for excess cash resources once our operating cash flow and required debt servicing needs have been met. Some of the possible uses of our remaining excess cash at any point in time may include funding strategic acquisitions, further investment in our business and returning value to shareholders through share repurchases, quarterly dividends, and special dividends.

Historically, we have been able to generate sufficient cash to fund our operations, mandatory debt and interest payments, capital expenditures, and discretionary funding needs. However, due to fluctuations in cash flows, including as a result of the trends and developments described above under “—Factors and Trends Affecting Our Results of Operations” relating to U.S. government shutdowns, U.S. government cost-cutting, reductions or delays in the U.S. government appropriations and spending process and other budgetary matters, it may be necessary from time-to-time in the future to borrow under our Credit Agreement to meet cash demands. While the timing and financial magnitude of these possible actions are currently indeterminable, we expect to be able to manage and adjust our capital structure to meet our liquidity needs. Our expected liquidity and capital structure may also be impacted by discretionary investments and acquisitions that we could pursue. We anticipate that cash provided by operating activities, existing cash and cash equivalents, and borrowing capacity under our Revolving Credit Facility will be sufficient to meet our anticipated cash requirements for the next twelve months, which primarily include:

- operating expenses, including salaries;
- working capital requirements to fund both organic and inorganic growth of our business;
- capital expenditures which primarily relate to the purchase of computers, business systems, furniture and leasehold improvements to support our operations;
- the ongoing maintenance around all financial management systems;
- commitments and other discretionary investments;
- debt service requirements for borrowings under our Credit Agreement and interest payments for the Senior Notes due 2028, Senior Notes due 2029 and Senior Notes due 2033; and
- cash taxes to be paid.

Our ability to fund our operating needs depends, in part, on our ability to generate positive cash flows from operations or, if necessary, raise cash in the capital markets. In addition, from time to time we evaluate conditions to opportunistically access the financing markets to secure additional debt capital resources and improve the terms of our indebtedness.

On June 7, 2024, the Company completed the acquisition of PAR Government Systems Corporation (“PGSC”), a wholly owned subsidiary of PAR Technology Corporation, for approximately \$98.7 million, net of post-closing adjustments and incurred transaction costs as part of the acquisition. See Note 5, “Acquisition, Goodwill and Intangible Assets,” to our condensed consolidated financial statements for additional information related to the acquisition of PGSC.

Cash Flows

Cash received from clients, either from the payment of invoices for work performed or for advances in excess of costs incurred, is our primary source of cash. We generally do not begin work on contracts until funding is appropriated by the client. Billing timetables and payment terms on our contracts vary based on a number of factors, including whether the contract type is cost-reimbursable, time-and-materials, or fixed-price. We generally bill and collect cash more frequently under cost-reimbursable and time-and-materials contracts, as we are authorized to bill as the costs are incurred or work is performed. In contrast, we may be limited to bill certain fixed-price contracts only when specified milestones, including deliveries, are achieved. In addition, a number of our contracts may provide for performance-based payments, which allow us to bill and collect cash prior to completing the work.

Accounts receivable is the principal component of our working capital and is generally driven by revenue growth with other short-term fluctuations related to the payment practices of our clients. Our accounts receivable reflects amounts billed to our clients as of each balance sheet date. Our clients generally pay our invoices within 30 days of the invoice date, although we experience a longer billing and collection cycle with our global commercial customers. At any month-end, we also include in accounts receivable the revenue that was recognized in the preceding month, which is generally billed early in the following month. Finally, we include in accounts receivable amounts related to revenue accrued in excess of amounts billed, primarily on our fixed-price and cost-reimbursable-plus-award-fee contracts. The total amount of our accounts receivable can vary significantly over time, but is generally sensitive to revenue levels and customer mix.

Operating Cash Flow

Net cash provided by operations is primarily affected by the overall profitability of our contracts, our ability to invoice and collect cash from clients in a timely manner, our ability to manage our vendor payments and the timing of cash paid for income taxes. Continued uncertainty in global economic conditions, including any potential impact of the U.S. government's failure to raise the debt ceiling, may also affect our business as customers and suppliers may decide to downsize, defer, or cancel contracts, which could negatively affect our operating cash flows. Net cash provided by operations was \$790.0 million for the nine months ended December 31, 2024 compared to \$115.1 million of net cash used in operations in the prior year period. Net cash provided by operating activities was primarily driven by overall revenue growth. In addition, fiscal 2024 reflects a \$377.5 million outflow related to the Company's fiscal 2024 settlement as described in Note 20, "Commitments and Contingencies to the consolidated financial statements contained within the Annual Report on Form 10-K for the fiscal year ended March 31, 2024, whereas fiscal 2025 reflects \$115.3 million in insurance recoveries from claims related to that settlement.

Beginning in fiscal 2023, the Tax Cuts and Jobs Act of 2017 eliminated the option to deduct research and development expenditures immediately in the year incurred and requires taxpayers to amortize such expenditures over five years for U.S. based research and development. This provision negatively impacted our fiscal 2024 cash from operations, but had an offsetting impact on the deferred tax asset. The Company expects a similar impact in fiscal 2025, although the impact to cash and deferred taxes is expected to be smaller than in fiscal 2024. Prospectively, the future impact of this provision will depend on if and when this provision is deferred, modified, or repealed by Congress, including if retroactively, any guidance issued by the Treasury Department regarding the identification of appropriate costs for capitalization, and the amount of future research and development expenses paid or incurred (among other factors). While the largest impact was to fiscal 2023 cash from operations, the impact will continue over the five year amortization period, but will decrease over the period and is expected to be less significant in year six.

Investing Cash Flow

Net cash used in investing activities was \$183.8 million in the nine months ended December 31, 2024 compared to \$68.3 million in the prior year period. The increase in investing cash used over the prior year was primarily due to the Company's acquisition of PGSC.

Financing Cash Flow

Net cash used in financing activities was \$706.9 million in the nine months ended December 31, 2024 compared to net cash provided by financing activities of \$150.1 million in the prior year period. The increase in financing cash used year over year was primarily due to net proceeds of \$636.2 million associated with the Company's issuance of its 5.95% Senior Notes due 2033 in the prior year, not present this year, as well as an increase of \$193.5 million in share repurchases year over year.

Dividends and Share Repurchases

On January 31, 2025, the Company announced a regular quarterly cash dividend in the amount of \$0.55 per share. The quarterly dividend is payable on March 4, 2025 to stockholders of record on February 14, 2025.

During the three and nine months ended December 31, 2024, quarterly cash dividends of \$0.51 and \$1.53 per share, respectively, were declared and paid totaling \$65.5 million and \$198.4 million, respectively. During the three and nine months ended December 31, 2023, quarterly cash dividends of \$0.47 and \$1.41 per share, respectively, were declared and paid totaling \$61.7 million and \$186.8 million, respectively.

On December 12, 2011, the Board of Directors initially approved a share repurchase program, which was subsequently increased from time to time. On January 28, 2025 the Board of Directors increased the program by \$500.0 million to \$3,585.0 million, resulting in a remaining availability of \$994.7 million for share repurchases under the program as of such date. The Company may repurchase shares pursuant to the program by means of open market repurchases, directly negotiated repurchases or through agents acting pursuant to negotiated repurchase agreements. During the first nine months of fiscal 2025, the Company purchased 3.0 million shares of the Company's Class A Common Stock for an aggregate of \$453.5 million. As of December 31, 2024, the Company had approximately \$554.7 million remaining under the repurchase program.

Any determination to pursue one or more of the above alternative uses for excess cash is subject to the discretion of our Board of Directors, and will depend upon various factors, including our results of operations, financial condition, liquidity requirements, restrictions that may be imposed by applicable law, our contracts, and our Credit Agreement as amended and other factors deemed relevant by our Board of Directors.

Indebtedness

Booz Allen Hamilton Inc. (“Booz Allen Hamilton”), Booz Allen Hamilton Investor Corporation (“Investor”), and certain wholly owned subsidiaries of Booz Allen Hamilton are parties to a Credit Agreement dated as of July 31, 2012, as amended (the “Credit Agreement”), with certain institutional lenders and Bank of America, N.A., as Administrative Agent, Collateral Agent and Issuing Lender. As of December 31, 2024, the Credit Agreement provided Booz Allen Hamilton with a \$1,546.9 million Term Loan A (“Term Loan A”) and a \$1.0 billion revolving credit facility (the “Revolving Credit Facility”), with a sub-limit for letters of credit of \$200.0 million. As of December 31, 2024, the maturity date of Term Loan A and the Revolving Commitments is September 7, 2027. Voluntary prepayments of Term Loan A and the Revolving Loans are permitted at any time, in minimum principal amounts, without premium or penalty. Booz Allen Hamilton’s obligations and the guarantors’ guarantees under the Credit Agreement were secured by a first priority lien on substantially all of the assets (including capital stock of subsidiaries) of Booz Allen Hamilton, Investor and the subsidiary guarantors, subject to certain exceptions set forth in the Credit Agreement and related documentation; such security was released in connection with Booz Allen Hamilton obtaining investment grade ratings from both Moody’s and S&P. On September 7, 2022 (the “Ninth Amendment Effective Date”), the previously outstanding Term Loan B loans under the Credit Agreement were prepaid in full.

On July 27, 2023 (the “Tenth Amendment Effective Date”), Booz Allen Hamilton entered into a Tenth Amendment (the “Amendment”) to the Credit Agreement (as amended prior to the Tenth Amendment Effective Date, the “Existing Credit Agreement” and, as amended by the Amendment, the “Amended Credit Agreement”) with Bank of America, N.A., as administrative agent (in such capacity, the “Administrative Agent”), and the lenders and other financial institutions party thereto, in order to make permanent certain changes to the Existing Credit Agreement in connection with Booz Allen Hamilton obtaining investment grade ratings from both Moody’s and S&P and prepaying the Term Loan B loans in full and to make certain additional changes in connection therewith, including, among other things, (i) removing the requirements for the obligations under the Amended Credit Agreement to be secured, (ii) removing the requirement for any subsidiary or other affiliate of Booz Allen Hamilton (other than the Company) to provide any guarantee of the obligations under the Amended Credit Agreement and (iii) removing or modifying certain covenants applicable to Booz Allen Hamilton. Pursuant to the Amendment, all guarantees in respect of the Existing Credit Agreement have been released. The Amendment did not impact any of the terms of the Credit Agreement related to amortization or payments.

On the Tenth Amendment Effective Date in connection with the Amendment, the Company entered into a Guarantee Agreement (the “Guarantee Agreement”) in favor of the Administrative Agent, pursuant to which the Company guarantees on an unsecured basis the obligations of Booz Allen Hamilton under the Amended Credit Agreement subject to certain conditions. Pursuant to the Amended Credit Agreement Booz Allen Hamilton has the option, though not any obligation, to join one or more of its domestic subsidiaries as a guarantor under the Guarantee Agreement.

Term Loan A amortizes in consecutive quarterly installments in an amount equal to (i) on the last business day of each full fiscal quarter that begins after the Ninth Amendment Effective Date but on or before the two year anniversary of the Ninth Amendment Effective Date, 0.625% of the stated principal amount of Term Loan A and (ii) on the last business day of each full fiscal quarter that begins after the two year anniversary of the Ninth Amendment Effective Date but before the five year anniversary of the Ninth Amendment Effective Date, 1.25% of the stated principal amount of Term Loan A. The remaining balance of Term Loan A will be payable upon maturity.

The rate at which Term Loan A and the Revolving Loans bear interest will be based either on Term SOFR (subject to a 0.10% adjustment and a floor of zero) for the applicable interest period or a base rate (equal to the highest of (i) the administrative agent’s prime corporate rate, (ii) the overnight federal funds rate plus 0.50% and (iii) three-month Term SOFR (subject to a 0.10% adjustment and a floor of zero) plus 1.00%), in each case plus an applicable margin, payable at the end of the applicable interest period and in any event at least quarterly. The applicable margin for Term Loan A and the Revolving Loans ranges from 1.00% to 2.00% for Term SOFR loans and zero to 1.00% for base rate loans, in each case based on the lower of (i) the applicable rate per annum determined pursuant to a consolidated total net leverage ratio grid and (ii) the applicable rate per annum determined pursuant to a ratings grid. Unused Revolving Commitments are subject to a quarterly fee ranging from 0.10% to 0.35% based on the lower of (i) the applicable fee rate per annum determined pursuant to a consolidated total net leverage ratio grid and (ii) the applicable fee rate per annum determined pursuant to a ratings grid. Booz Allen Hamilton has also agreed to pay customary letter of credit and agency fees.

The Company occasionally borrows under the Revolving Credit Facility for our working capital needs. There were no borrowings during the third quarter of fiscal 2025 and as of December 31, 2024 and March 31, 2024, respectively, there was no outstanding balance on the Revolving Credit Facility.

Borrowings under Term Loan A, and if used, the Revolving Credit Facility, incur interest at a variable rate. As of December 31, 2024, Booz Allen Hamilton had interest rate swaps with an aggregate notional amount of \$550.0 million. These instruments hedge the variability of cash outflows for interest payments on the Credit Agreement. The Company's objectives in using cash flow hedges are to reduce volatility due to interest rate movements and to add stability to interest expense. See Note 9, "Derivatives," to our condensed consolidated financial statements for further information.

The Credit Agreement contains customary representations and warranties and customary affirmative and negative covenants. In connection with Booz Allen Hamilton obtaining investment grade ratings from both Moody's and S&P, certain activities previously restricted by certain negative covenants are permitted subject to pro forma compliance with the financial covenants and no events of default having occurred or are continuing. In addition, Booz Allen Hamilton is required to meet certain financial covenants at each quarter end, specifically the consolidated net total leverage ratio. As of December 31, 2024 and March 31, 2024, Booz Allen Hamilton was in compliance with all financial covenants associated with its debt and debt-like instruments.

As of December 31, 2024 and March 31, 2024, the Company was contingently liable under open standby letters of credit and bank guarantees issued by our banks in favor of third parties that totaled \$4.5 million and \$4.4 million, respectively. These letters of credit and bank guarantees primarily support insurance and bid and performance obligations. At December 31, 2024 and March 31, 2024, respectively, approximately \$1.4 million and \$1.3 million of these instruments reduced the available borrowings under the Revolving Credit Facility. The remainder is guaranteed under a separate \$7.5 million facility of which \$4.5 million and \$4.4 million was available to the Company at December 31, 2024 and March 31, 2024, respectively.

Senior Notes

The following table summarizes the material terms of the Company's Senior Notes as of December 31, 2024:

	Indenture Date	Principal	Interest Rate	Maturity Date	Interest Payable	Issuance Costs
Senior Notes due 2033	8/4/2023	\$ 650,000	5.950%	8/4/2033	February and August 4	\$ 12,400
Senior Notes due 2029	6/17/2021	500,000	4.000%	7/1/2029	July and January 1	6,500
Senior Notes due 2028	8/24/2020	700,000	3.875%	9/1/2028	March and September 1	9,200
Total		\$ 1,850,000				\$ 28,100

Interest is payable semi-annually in cash in arrears, with the principal due at maturity. Issuance Costs were recorded as an offset against the carrying value of respective debt and are being amortized to interest expense over the term of the respective debt. For further information on the Senior Notes, including terms, conditions, restrictions and redemption options, see Note 10, "Debt," of the Company's consolidated financial statements included in the fiscal 2024 Annual Report on Form 10-K.

All Senior Notes' indentures contain certain covenants, events of default and other customary provisions. In connection with the Senior Notes obtaining investment grade ratings from Moody's and S&P, in January 2023, certain negative covenants in the indentures governing the Senior Notes 2028 and Senior Notes 2029 were suspended, and the related guarantees were released. The Senior Notes due 2033 are fully and unconditionally guaranteed on an unsecured and unsubordinated basis by Booz Allen Hamilton Holding Corporation, pursuant to the relevant indenture.

Summarized Financial Information

The Senior Notes due 2033 were issued by Booz Allen Hamilton pursuant to the Base Indenture, among Booz Allen Hamilton, the Company and U.S. Bank Trust Company, National Association, as trustee, as supplemented by the Supplemental Indenture. The Senior Notes due 2033 are fully and unconditionally guaranteed on an unsecured and unsubordinated basis by the Company pursuant to the Indenture.

The tables below present the summarized financial information as combined for the Company and Booz Allen Hamilton as of March 31, 2024 and as of and for the nine months ended December 31, 2024, after the elimination of intercompany transactions and balances between the Company and Booz Allen Hamilton and excluding the subsidiaries of the Company that are not issuers or guarantors of the Senior Notes due 2033, including earnings from and investments in these entities. The summarized financial information is provided in accordance with the reporting requirements of Rule 13-01 under Regulation S-X and is not intended to present our financial position or results of operations in accordance with GAAP.

Summarized Statements of Financial Condition

(in thousands)

	December 31, 2024	March 31, 2024
Intercompany receivables from non-guarantor subsidiaries	\$ 11,816	\$ 62,012
Total other current assets	\$ 2,746,398	\$ 2,618,239
Goodwill and intangible assets, net of accumulated amortization	\$ 1,501,049	\$ 1,499,616
Total other non-current assets	\$ 944,172	\$ 853,623
Intercompany payables to non-guarantor subsidiaries	\$ 10,327	\$ 13,408
Total other current liabilities	\$ 1,797,834	\$ 1,641,369
Long-term debt, net of current portion	\$ 3,291,215	\$ 3,349,941
Total other non-current liabilities	\$ 488,158	\$ 457,290

Summarized Statement of Operations

(in thousands)

	Nine Months Ended December 31, 2024
Revenue	\$ 8,394,800
Revenue from non-guarantor subsidiaries	\$ 465,267
Operating income	\$ 622,102
Operating income from non-guarantor subsidiaries	\$ 438,564
Net income	\$ 709,201
Net income attributable to the Obligor Group	\$ 709,201

Capital Structure and Resources

Our stockholders' equity amounted to \$1,209.9 million as of December 31, 2024, an increase of \$163.3, compared to stockholders' equity of \$1,046.6 million as of March 31, 2024. The increase was primarily due to net income of \$742.3 million and stock-based compensation expense of \$70.8 million during the nine months ended December 31, 2024, partially offset by \$474.5 million in treasury stock resulting from the repurchase of shares of our Class A Common Stock, and \$198.9 million in quarterly dividend payments for the nine months ended December 31, 2024.

Capital Expenditures

Since we do not own any of our facilities, our capital expenditure requirements primarily relate to the purchase of computers, management systems, furniture, and leasehold improvements to support our operations. Direct facility and equipment costs billed to clients are not treated as capital expenses. Our capital expenditures for the nine months ended December 31, 2024 and 2023 were \$73.4 million and \$50.5 million, respectively. The increase is primarily driven by an increase in leasehold improvements and secure space updates to our leased facilities in the current period.

Commitments and Contingencies

We are subject to a number of reviews, investigations, claims, lawsuits, and other uncertainties related to our business. For a discussion of these items, refer to Note 15, "Commitments and Contingencies," to our condensed consolidated financial statements.

Special Note Regarding Forward Looking Statements

Certain statements contained or incorporated in this Quarterly Report on Form 10-Q, or Quarterly Report, include forward-looking statements. 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 U.S. administration transitions;

- 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 (“DFARS”), and FAR Cost Accounting Standards and Cost Principles;
- the effects of disease outbreaks, pandemics, or widespread health epidemics 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 General Services Administration (“GSA”) schedules, blanket purchase agreements, and indefinite delivery/indefinite quantity (“IDIQ”) contracts;
- the loss of GSA schedules or our position as prime contractor on government-wide acquisition contract vehicles (“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 operations 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, subcontractors, or suppliers, 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;
- the impact of ESG-related risks and climate change generally on our and our clients' businesses and operations; and
- other risks and factors listed under “Item 1A. Risk Factors” and elsewhere in this Quarterly Report, as well as those listed under “Risk Factors” in our Annual Report on Form 10-K for the year ended March 31, 2024.

In light of these risks, uncertainties and other factors, the forward-looking statements might not prove to be accurate and you should not place undue reliance upon them. All forward-looking statements speak only as of the date made and we undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There have been no material changes during the period covered by this Quarterly Report on Form 10-Q to the information disclosed in the Quantitative and Qualitative Disclosures About Market Risk section in Part II, “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations” of our Annual Report on Form 10-K for the fiscal year ended March 31, 2024 filed with the Securities and Exchange Commission on May 24, 2024.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

Management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended, or the Exchange Act, as of the end of the period covered by this Quarterly Report. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of the end of the period covered by this Quarterly Report, our disclosure controls and procedures were effective.

Changes in Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the last fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION**Item 1. Legal Proceedings**

Disclosure concerning legal proceedings can be found in Part I, Item 1. “Financial Statements, Notes to Unaudited Condensed Consolidated Financial Statements, Note 15, Commitments and Contingencies” under the caption, “Litigation,” which is incorporated here by this reference.

Item 1A. Risk Factors

There have been no material changes during the period covered by this Quarterly Report on Form 10-Q to the risk factors disclosed in Part I, Item 1A, of our Annual Report on Form 10-K for the fiscal year ended March 31, 2024 filed with the Securities and Exchange Commission on May 24, 2024.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds**Recent Sales of Unregistered Securities**

None.

Issuer Purchases of Equity Securities

The following table shows the share repurchase activity for each of the three months in the quarter ended December 31, 2024:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs ⁽¹⁾
October 2024	155,039	\$161.25	155,039	\$674,708
November 2024	361,598	\$165.93	361,598	\$614,709
December 2024	402,584	\$149.04	402,584	\$554,709
Total	919,221		919,221	

⁽¹⁾ On December 12, 2011, the Board of Directors initially approved a share repurchase program, which was subsequently increased from time to time. On January 28, 2025, the Board of Directors increased the program by \$500.0 million to \$3,585.0 million, resulting in a remaining availability of \$994.7 million for share repurchases under the program as of such date. A special committee of the Board of Directors was appointed to evaluate market conditions and other relevant factors and initiate repurchases under the program from time to time. The share repurchase program may be suspended, modified or discontinued at any time at the Company’s discretion without prior notice. The above table does not factor in any increases to the share repurchase program subsequent to December 31, 2024.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information**Appointment of Chief Accounting Officer**

On January 28, 2025, Dennis Metzfield, Vice President and Controller of the Company, was promoted to Chief Accounting Officer (Principal Accounting Officer) of the Company, effective February 1, 2025.

Mr. Metzfield, age 45, joined the Company in November 2024 as Vice President and Controller. Prior to joining the Company, Mr. Metzfield spent 7 years at Huntington Ingalls Industries (NYSE: HII), where he most recently served as the Corporate Assistant Controller. Prior to joining Huntington Ingalls Industries, Mr. Metzfield served as a Senior Manager in Deloitte’s accounting advisory practice. Mr. Metzfield holds a B.A. in economics from Hampden-Sydney College and a Master of Accounting from William and Mary. There were no material changes to Mr. Metzfield’s compensation arrangements relating to this change. Mr. Metzfield has no family relationships with any of our directors or executive officers. There are no relationships between the Company or its subsidiaries, on one hand, and Mr. Metzfield, on the other hand, that would require disclosure pursuant to Item 404(a) of Regulation S-K, and there are no arrangements or understanding between Mr. Metzfield and any other person pursuant to which he was appointed as Chief Accounting Officer (Principal Accounting Officer) of the Company.

In connection with and effective as of Mr. Metzfield's appointment as Chief Accounting Officer, Matthew A. Calderone, the Company's Executive Vice President and Chief Financial Officer, will no longer serve as principal accounting officer. Mr. Calderone will continue to serve as principal financial officer.

Disclosure of Trading Arrangements

Item 408(a) of Regulation S-K requires the Company to disclose whether any director or officer of the Company has adopted or terminated (i) any trading arrangement that is intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) (a "Rule 10b5-1 trading arrangement"); and/or (ii) any written trading arrangement that meets the requirements of a "non-Rule 10b5-1 trading arrangement" as defined in Item 408(c) of Regulation S-K.

During the quarter ended December 31, 2024, the following activity occurred requiring disclosure under Item 408(a) of Regulation S-K:

Kristine M. Anderson, our Chief Operating Officer, adopted a new Rule 10b5-1 trading arrangement on October 31, 2024 that will terminate on November 7, 2025. Under the trading arrangement, up to an aggregate of 16,029 shares of common stock issuable upon the exercise of options are available to be sold by the broker upon reaching pricing targets defined in the trading arrangement.

Horacio D. Rozanski, our Chairman and Chief Executive Officer, adopted a new Rule 10b5-1 trading arrangement on November 7, 2024 that will terminate on November 7, 2025. Under the trading arrangement, up to an aggregate of 74,891 shares of common stock are available to be sold by the broker upon reaching pricing targets defined in the trading arrangement.

Thomas Pfeifer, an Executive Vice President and President of the Company's National Security sector, adopted a new Rule 10b5-1 trading arrangement on December 2, 2024 that will terminate on November 21, 2025. Under the trading arrangement, up to an aggregate of 16,090 shares of common stock issuable upon the exercise of options are available to be sold by the broker upon reaching pricing targets defined in the trading arrangement.

Richard Crowe, an Executive Vice President and President of the Company's Civil sector, adopted a new Rule 10b5-1 trading arrangement on December 16, 2024 that will terminate on December 5, 2025. Under the trading arrangement, up to an aggregate of 6,666 shares of common stock are available to be sold by the broker upon reaching pricing targets defined in the trading arrangement.

Item 6. Exhibits

Exhibit Number	Description
22	List of Guarantors and Subsidiary Issuers of Guaranteed Securities (Incorporated by reference to Exhibit 22 to the Company's Annual Report for the fiscal year ended March 31, 2024 on Form 10-K (File No. 001-34972)).
31.1	Rule 13a-14(a)/15d-14(a) Certification of the Chief Executive Officer*
31.2	Rule 13a-14(a)/15d-14(a) Certification of the Chief Financial Officer*
32.1	Certification of the Chief Executive Officer required by Rule 13a-14(b) or Rule 15d-14(b) and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. 1350)*
32.2	Certification of the Chief Financial Officer required by Rule 13a-14(b) or Rule 15d-14(b) and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. 1350)*
101	The following materials from Booz Allen Hamilton Holding Corporation's Quarterly Report on Form 10-Q for the three and nine months ended December 31, 2024 formatted in Inline XBRL (eXtensible Business Reporting Language): (i) Condensed Consolidated Balance Sheets at December 31, 2024 and March 31, 2024; (ii) Condensed Consolidated Statements of Operations for the three and nine months ended December 31, 2024 and 2023; (iii) Condensed Consolidated Statements of Comprehensive Income for the three and nine months ended December 31, 2024 and 2023; (iv) Condensed Consolidated Statements of Cash Flows for the nine months ended December 31, 2024 and 2023; and (v) Notes to Condensed Consolidated Financial Statements.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

* Filed electronically herewith.

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
Registrant

Date: January 31, 2025

By: /s/ Matthew A. Calderone
Matthew A. Calderone
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

**CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER PURSUANT TO RULE 13A-14(A) OF THE
SECURITIES EXCHANGE ACT OF 1934, AS AMENDED**

I, Horacio D. Rozanski, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Booz Allen Hamilton Holding Corporation.
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report.
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors (or persons performing the equivalent function):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: January 31, 2025

By: /s/ Horacio D. Rozanski
Horacio D. Rozanski
President and Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION OF THE CHIEF FINANCIAL OFFICER PURSUANT TO RULE 13A-14(A) OF THE
SECURITIES EXCHANGE ACT OF 1934, AS AMENDED**

I, Matthew A. Calderone, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Booz Allen Hamilton Holding Corporation.
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report.
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors (or persons performing the equivalent function):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: January 31, 2025

By: /s/ Matthew A. Calderone
Matthew A. Calderone
Executive Vice President and Chief Financial Officer (Principal Financial Officer)

**CERTIFICATIONS PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
(18 U.S.C. SECTION 1350)**

In connection with the report on Form 10-Q of Booz Allen Hamilton Holding Corporation (the “Company”) for the fiscal quarter ended December 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), the undersigned President and Chief Executive Officer of the Company certifies, to the best of his knowledge and belief pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934.
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: January 31, 2025

By: /s/ Horacio D. Rozanski

Horacio D. Rozanski
President and Chief Executive Officer
(Principal Executive Officer)

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Booz Allen Hamilton Holding Corporation and will be retained by Booz Allen Hamilton Holding Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

**CERTIFICATIONS PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
(18 U.S.C. SECTION 1350)**

In connection with the report on Form 10-Q of Booz Allen Hamilton Holding Corporation (the “Company”) for the fiscal quarter ended December 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), the undersigned Executive Vice President and Chief Financial Officer certifies, to the best of his knowledge and belief pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934.
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: January 31, 2025

By: /s/ Matthew A. Calderone

Matthew A. Calderone
Executive Vice President and Chief Financial Officer (Principal Financial Officer)

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Booz Allen Hamilton Holding Corporation and will be retained by Booz Allen Hamilton Holding Corporation and furnished to the Securities and Exchange Commission or its staff upon request.