LETTER TO STOCKHOLDERS

2020

Michelle Etienne
Payer Strategy, Policy, and Operations Expert
Certain statements contained in this document include “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Examples of forward-looking statements include information concerning Booz Allen’s preliminary financial results, financial outlook and guidance, including forecasted revenue, Diluted EPS, Adjusted Diluted EPS, free cash flow, future quarterly dividends, and future improvements in operating margins, as well as any other statement that does not directly relate to any historical or current fact. In some cases, you can identify forward-looking statements by terminology such as “may,” “will,” “could,” “should,” “forecasts,” “expects,” “intends,” “plans,” “anticipates,” “projects,” “outlook,” “believes,” “estimates,” “predicts,” “potential,” “continue,” “preliminary,” or the negative of these terms or other comparable terminology. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we can give you no assurance these expectations will prove to have been correct.

These forward-looking statements relate to future events or our future financial performance and involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to differ materially from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. A number of important factors could cause actual results to differ materially from those contained in or implied by these forward-looking statements, including those factors discussed in our filings with the Securities and Exchange Commission (SEC), including our Annual Report on Form 10-K for the fiscal year ended March 31, 2020, which can be found at the SEC’s website at www.sec.gov. All forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the foregoing cautionary statements. All such statements speak only as of the date made and, except as required by law, we undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.
LETTER TO STOCKHOLDERS

May 26, 2020

DEAR FELLOW INVESTORS AND FRIENDS,

In normal times, I would report on the Board of Directors’ role in governance and promoting shareholder value—and want to assure you the Board is impressed with management and the Company’s performance for fiscal year 2020. Record revenue and earnings, industry-leading dividend growth, and approximately 20 percent total shareholder return in fiscal 2020 support this confidence (See financial and other FY20 highlights, pp. VI-X).

These times are anything but normal, and Booz Allen’s response to the global COVID-19 pandemic is even more impressive than its financial and business performance. In my long association with the firm, starting as an employee in 1974, leading it for many years, and currently as Chairman, I’ve experienced dramatic change—but nothing in my lifetime compares with the health, social, and economic upheaval caused by this virus.

In late March, President and CEO Horacio Rozanski discussed an extraordinary proposal with the Board. He and the firm’s leadership team planned to re-allocate $100 million to invest in job security and benefits for Booz Allen’s people and large grants to community service organizations. Careful modeling had been done, which showed that the firm’s financial strength enabled this dramatic action. Every Board member was awed and in full support.

Next year at this time, hopefully the pandemic will be largely behind us. I am proud of this institution and confident that Booz Allen will be even stronger in the future because of the way its people and leaders have risen to this challenge.

RALPH W. SHRADER, PH.D.
Chairman of the Board
Dear Booz Allen Investors, Clients, and Friends,

Since January, the COVID-19 pandemic has taken a toll most of us never imagined. Millions have fallen ill, hundreds of thousands have died, frontline workers are under tremendous strain, and the economic costs have been enormous, affecting families and individuals across the globe. Times like these require us all to think, work, and live differently. At Booz Allen, amid rapid change and unprecedented challenge, we have found purpose in focusing on the art of the possible.

In short, our philosophy is let’s do right by doing all we can—for our people and their families, and for our clients and communities. This, in turn, will preserve the strength and resiliency of our business.

Crisis Response

We begin with an understanding that the pandemic and its consequences will be experienced in three phases. The first phase, which encompassed the early months of this calendar year, was crisis response. Our firm moved quickly to mandatory telework and established a Pandemic Relief Fund by reducing and redirecting non-personnel costs. We committed more than $100 million to increase job security for our people, expand employee benefits, and assist frontline workers, military families, and the most vulnerable.

Those early steps—made possible by our exceptional team and strong financial footing—alleviated at least some of the stress and anxiety in the early weeks of the crisis. They allowed our people to channel their talent and energy into the needs of our federal and commercial clients, who are facing tremendous challenges of their own.

Sustain & Stay Safe

We are now in the second phase of managing through COVID-19, a transitional phase that will last as long as the virus is a threat, with no vaccines or proven treatments in place. Society and institutions are looking to strike the right balance between public health and economic considerations. For success in Phase II, sustainable models for business operations and critical missions must be put in place while continuing to keep people safe and healthy, and protecting those at greatest risk.

Booz Allen’s approach starts with maximizing telework. Close collaboration with clients, who themselves demonstrated tremendous agility and creativity throughout Phase I, proved that telework is effective in more instances than we previously thought. We can, in a sustained way, advance missions and solve problems for clients through remote work, while also doing our part to prevent flare-ups of infection.
In cases where telework is not possible or is less effective, primarily in defense and intelligence missions where specialized facilities and IT systems are needed, we are working with clients to implement comprehensive safe return plans. These plans focus on the health and safety of the total workforce on site—our people, as well as our clients and partners. They leverage as many effective mitigation strategies as possible, such as social distancing, cleaning protocols, protective equipment, travel restrictions, and flexible work shifts.

As with maximizing telework, the objective is to sustain both missions and health. And inside Booz Allen, we are taking additional steps to support sustainability: piloting antibody testing, strengthening our supply chain for critical cleaning materials and protective equipment, scaling contact tracing, and fine-tuning employee benefit programs. We have taken a broad view, in keeping with our “art of the possible” philosophy. We believe these steps will foster stability and success during what will likely be the most complex and challenging phase of this pandemic.

LESSONS FOR THE FUTURE

The final phase of our response will arrive when the threat of COVID-19 is behind us, thanks to some combination of vaccines, proven treatments, and immunity. Just as the world was never the same after 9/11, it will not be the same after this crisis.

Here, too, it’s important to envision possibilities: How can health care be improved through telemedicine? How can artificial intelligence speed problem-solving during crises? Where can augmented and virtual reality best improve distance learning? What new secure mobility solutions can enable the expansion of telework? What climate benefits can be gained? And what opportunities can be opened for the next generation of workers?

Answering these questions and many others for a post-pandemic world will be our work and our purpose during Phase III. Our firm, never one to stand still, is already contemplating that future. We aim to take all the challenges and lessons of COVID-19 and, by investing in the right talent and capabilities, empower clients and each other to build a better world. This is Booz Allen’s enduring promise. Thank you for your continued support and confidence as we strive to live up to it.

With warm regards and gratitude,

HORACIO D. ROZANSKI
President & Chief Executive Officer

Evelyn Wilson
Program/Project
Management Specialist
**UNIQUE MARKET POSITION**

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

**STRONG FINANCIAL RETURNS**

- **FY2018–FY2021**
  - 70–80% ADEPS GROWTH BY FY21
  - +~2% Dividend Yield

- **6–10%**
  - Annual Revenue Growth

- **−10%**
  - Adjusted EBITDA Margin1

- **$1.4B**
  - Capital Deployment

**YEAR TWO**

60% ADEPS GROWTH THROUGH FY20

to $3.18 + 1.5% Dividend Yield

11.3% 10.1% $333M

- Annual Revenue Growth
- Adjusted EBITDA Margin1
- Capital Deployment

**Financial Highlights**

*Dollars in millions, except per share amounts*

<table>
<thead>
<tr>
<th></th>
<th>FY 2020</th>
<th>FY 2019</th>
<th>YoY</th>
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</thead>
<tbody>
<tr>
<td><strong>GAAP</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>$7,464</td>
<td>$6,704</td>
<td>11.3%</td>
</tr>
<tr>
<td>Net Income</td>
<td>$483</td>
<td>$419</td>
<td>15.3%</td>
</tr>
<tr>
<td>Diluted EPS</td>
<td>$3.11</td>
<td>$2.91</td>
<td>17.2%</td>
</tr>
<tr>
<td>Cash from Operations</td>
<td>$551</td>
<td>$500</td>
<td>10.4%</td>
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</table>

<table>
<thead>
<tr>
<th></th>
<th>FY 2018</th>
<th>FY 2019</th>
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</thead>
<tbody>
<tr>
<td><strong>NON-GAAP</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue Ex-Billables</td>
<td>$5,165</td>
<td>$4,699</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>$754</td>
<td>$675</td>
</tr>
<tr>
<td>Adjusted Diluted EPS</td>
<td>$3.18</td>
<td>$2.76</td>
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</table>

**CUMULATIVE TOTAL SHAREHOLDER RETURN**

Note: Total shareholder return assumes dividends are reinvested.

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1– Guidance as provided on May 26, 2020.
2– These measures are non-GAAP financial measures. For a reconciliation of these measures to GAAP, please see the section titled “Non-GAAP Measures” starting on page viii.
LETTER TO STOCKHOLDERS

• ETHICS & INTEGRITY

Corporate Values:
▸ Ferocious Integrity
▸ Unflinching Courage
▸ Passionate Service
▸ Collective Ingenuity
▸ Champion’s Heart

▸ Fostered public dialogue on the role of ethics and technology through events, published research, responsible technology applications, and solutions with built-in ethics

▸ Recognized as one of the World’s Most Ethical Companies by Ethisphere

• EMPLOYEE EXPERIENCE

DIVERSE LEADERS AND TALENT

5 firm-sponsored Business Resource Groups, each with a charter to recruit diverse talent, foster meaningful networks, and amplify our firm’s reputation

▸ Women
▸ Multicultural
▸ GLOBE+
▸ Disabilities
▸ Military/Veterans

8 of 9 members of the Leadership Team are women or minorities

▸ 8 of 12 members of the Board of Directors are women or minorities

EMPLOYEE BENEFITS

▸ Enhanced benefits including expanded parental and military leave programs
▸ Launched Booz Allen Employee Resilience Fund in January 2020 to proactively and inclusively support our colleagues in need

• MISSION & INNOVATION

Presented 5th Data Science Bowl® with Kaggle and PBS KIDS to develop effective approaches to high-quality early educational media

▸ Launched EpiMaps, an analytics platform harnessing the power of big data to improve population health
▸ Launched Modzy™, an AI platform and marketplace with embedded security, adversarial defense, and governance to help organizations adopt and scale trusted AI across the enterprise

• COMMUNITY ENGAGEMENT & GLOBAL RESILIENCE

COVID-19 RESPONSE

▸ Committed more than $100M to support our 27,000 employees and the communities where we live and work
▸ Includes a $10M commitment, made in partnership with the Booz Allen Foundation, to support military families and veterans, front-line workers, and those who are most vulnerable

A total $1.16M in employee contributions and firm match donated to more than 1,300 organizations through the Booz Allen Cares Employee Giving Campaign

Employees logged 83,000 volunteer hours with 1,147 different nonprofit organizations

Partnered with Elizabeth Dole Foundation to support military caregivers using data science and Hiring our Heroes to launch a fellowship program for military spouses

• INFORMATION SECURITY

▸ First company in the world to hold all three of the U.S. Government’s elite cybersecurity accreditations
▸ #1 in Managed and Professional Security Services in North American market (by Frost & Sullivan)
▸ Booz Allen supports USO Metro’s Project Next STEP to train transitioning service members and military spouses in credentialed careers
We publicly disclose certain non-GAAP financial measurements, including Revenue, Excluding Billable Expenses, 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, because management uses these measures for business planning purposes, including to manage our business against internal projected results of operations and measure our performance. We view 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 consulting staff headcount and our overall direct labor, which management believes provides useful information to our investors about our core operations. 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 EBITDA, Adjusted EBITDA Margin on Revenue, Adjusted EBITDA Margin on Revenue, Excluding Billable Expenses, Adjusted Net Income and Adjusted Diluted EPS 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, 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 (ii) use Revenue, Excluding Billable Expenses, 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, net income or diluted EPS, as measures of operating results, 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 consulting staff headcount and our overall direct labor, which management believes provides useful information to our investors about our core operations.

- “Adjusted EBITDA” represents net income before income taxes, net interest and other expense and depreciation and amortization and before certain other items, including transaction costs, fees, losses, and expenses, including fees associated with debt prepayments and supplemental employee benefits due to the COVID-19 outbreak. “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) transaction costs, fees, losses, and expenses, including fees associated with debt prepayments, (ii) supplemental employee benefits due to the COVID-19 outbreak, (iii) tax credits, net of reserves for uncertain tax positions, (iv) amortization or write-off of debt issuance costs and write-off of original issue discount, (v) release of income tax reserves, and (vi) re-measurement of deferred tax assets and liabilities as a result of the 2017 Tax Act in each case net of the tax effect where appropriate calculated using an assumed effective tax rate. We prepare Adjusted Net Income to eliminate the impact of items, net of tax, we do not consider indicative of ongoing operating performance due to their inherent unusual, extraordinary, or non-recurring nature or because they result from an event of a similar nature. We view net income excluding the impact of the re-measurement of the Company’s deferred tax assets and liabilities as a result of the 2017 Tax Act as an important indicator of performance consistent with the manner in which management measures and forecasts the Company’s performance and the way in which management is incentivized to perform.

• “Adjusted Diluted EPS” represents diluted EPS calculated using Adjusted Net Income as opposed to net income. Additionally, Adjusted Diluted EPS does not contemplate any adjustments to net income as required under the two-class method as disclosed in the footnotes to the consolidated financial statements.
Below is a reconciliation of Revenue, Excluding Billable Expenses, Adjusted EBITDA, Adjusted EBITDA Margin on Revenue, Adjusted EBITDA Margin on Revenue, Excluding Billable Expenses, Adjusted Net Income and Adjusted Diluted EPS to the most directly comparable financial measure calculated and presented in accordance with GAAP.

<table>
<thead>
<tr>
<th>(AMOUNTS IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA)</th>
<th>2020 (UNAUDITED)</th>
<th>2019 (UNAUDITED)</th>
<th>2018 (UNAUDITED)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUE, EXCLUDING BILLABLE EXPENSES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>$7,463,841</td>
<td>$6,704,037</td>
<td>$6,167,600</td>
</tr>
<tr>
<td>Billable Expenses</td>
<td>2,298,413</td>
<td>2,004,664</td>
<td>1,861,312</td>
</tr>
<tr>
<td>Revenue, Excluding Billable Expenses</td>
<td>$5,165,428</td>
<td>$4,699,373</td>
<td>$4,306,288</td>
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<tr>
<td><strong>EBITDA, ADJUSTED EBITDA, ADJUSTED EBITDA MARGIN ON REVENUE &amp; ADJUSTED EBITDA MARGIN ON REVENUE, EXCLUDING BILLABLE EXPENSES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net income</td>
<td>$482,603</td>
<td>$418,529</td>
<td>$301,692</td>
</tr>
<tr>
<td>Income tax (benefit) expense</td>
<td>96,831</td>
<td>96,874</td>
<td>128,344</td>
</tr>
<tr>
<td>Interest and other, net (c)</td>
<td>89,768</td>
<td>86,991</td>
<td>89,687</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>81,081</td>
<td>68,575</td>
<td>64,756</td>
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<tr>
<td>EBITDA</td>
<td>750,283</td>
<td>670,969</td>
<td>584,479</td>
</tr>
<tr>
<td>Transaction expenses (a)</td>
<td>1,069</td>
<td>3,660</td>
<td>—</td>
</tr>
<tr>
<td>COVID-19 supplemental employee benefits (b)</td>
<td>2,722</td>
<td>—</td>
<td>—</td>
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<tr>
<td>Adjusted EBITDA</td>
<td>$754,074</td>
<td>$674,629</td>
<td>$584,479</td>
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<tr>
<td>Adjusted EBITDA Margin on Revenue</td>
<td>10.1%</td>
<td>10.1%</td>
<td>9.5%</td>
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<tr>
<td>Adjusted EBITDA Margin on Revenue, Excluding Billable Expenses</td>
<td>14.6%</td>
<td>14.4%</td>
<td>13.6%</td>
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<tr>
<td><strong>ADJUSTED NET INCOME</strong></td>
<td></td>
<td></td>
<td></td>
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<td>COVID-19 supplemental employee benefits (b)</td>
<td>2,722</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Research and development tax credits (d)</td>
<td>(38,395)</td>
<td>—</td>
<td>—</td>
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<tr>
<td>Release of income tax reserves (e)</td>
<td>(68)</td>
<td>(462)</td>
<td>—</td>
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<tr>
<td>Re-measurement of deferred tax assets/liabilities (f)</td>
<td>—</td>
<td>(27,908)</td>
<td>(9,107)</td>
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<td>Amortization or write-off of debt issuance costs and write-off of original issue discount</td>
<td>2,395</td>
<td>2,920</td>
<td>2,655</td>
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<tr>
<td>Adjustments for tax effect (g)</td>
<td>(1,608)</td>
<td>(1,711)</td>
<td>(969)</td>
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<tr>
<td>Adjusted Net Income</td>
<td>$448,718</td>
<td>$395,028</td>
<td>$294,271</td>
</tr>
<tr>
<td><strong>ADJUSTED DILUTED EARNINGS PER SHARE</strong></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Weighted-average number of diluted shares outstanding</td>
<td>141,238,135</td>
<td>143,156,176</td>
<td>147,750,022</td>
</tr>
<tr>
<td>Adjusted Net Income Per Diluted Share (h)</td>
<td>$3.18</td>
<td>$2.76</td>
<td>$1.99</td>
</tr>
</tbody>
</table>

a. Fiscal 2020 and fiscal 2019 reflect debt refinancing costs incurred in connection with the refinancing transactions consummated on November 26, 2019 and July 23, 2018, respectively.
b. Represents the supplemental contribution to employees’ dependent care FSA accounts in response to the COVID-19 outbreak.
c. Reflects the combination of Interest expense and Other income (expense), net from the consolidated statement of operations.
d. Reflects tax credits, net of reserves for uncertain tax positions, recognized in fiscal 2020 related to an increase in research and development credits available for fiscal years 2016 to 2020.
e. Release of pre-acquisition income tax reserves assumed by the Company in connection with the Carlyle Acquisition.
f. Reflects the adjustments made to the provisional income tax benefit associated with the re-measurement of the Company’s deferred tax assets and liabilities as a result of the 2017 Tax Act.
g. With the enactment of the 2017 Tax Act, the fiscal 2018 adjustment is reflected using assumed effective tax rate of 36.5%, whereas fiscal 2019 and 2020 adjustments are reflected using an effective tax rate of 26%. These rates approximate the blended federal and state tax rates for fiscal 2018, 2019 and 2020, respectively, and consistently exclude the impact of other tax credits and incentive benefits realized.
h. Excludes an adjustment of approximately $1.6 million, $1.8 million, and $1.9 million of net earnings for fiscal 2020, 2019, and 2018, respectively, associated with the application of the two-class method for computing diluted earnings per share.
BOARD OF DIRECTORS
Ralph W. Shrader
Chairman
Joan Lordi C. Amble
Melody C. Barnes
Peter Clare
Michèle Flournoy
Ian Fujiyama
Mark E. Gaumond
Ellen Jewett
Arthur E. Johnson
Gretchen W. McClain
Charles O. Rossotti
Horacio D. Rozanski

STOCK EXCHANGE
Booz Allen Hamilton Holding Corporation common stock is listed on the New York Stock Exchange under the ticker symbol BAH.

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College Station, TX 77842-3170
1-866-390-3908
www.computershare.com/investor

INDEPENDENT ACCOUNTANTS
Ernst & Young LLP
Tysons, VA

LEADERSHIP TEAM
Horacio D. Rozanski
Kristine M. Anderson
Karen M. Dahut
Judith H. Dotson
Lloyd W. Howell, Jr.
Nancy J. Laben
Gary D. Labovich
Susan L. Penfield
Elizabeth M. Thompson

COMPANY NEWS
Information about Booz Allen Hamilton Holding Corporation and our operating company Booz Allen Hamilton Inc., including archived news releases and SEC filings, is available from the company's website at www.boozallen.com. Booz Allen's quarterly earnings conference calls and other significant investor events are posted when they occur.

Inquiries from securities analysts, portfolio managers, and other representatives of institutional investors about Booz Allen should be directed to:

Investor Relations
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E-mail: Investor_Relations@bah.com