

February 2017

**Dear Friends,**

On January 30th, Booz Allen reported third quarter results reflecting accelerated revenue growth, and the highest Q3 book-to-bill ratio since FY11. Revenue grew a healthy 7.4%, driven by strong client demand for our differentiated suite of solutions. Book-to-bill was 0.92x, and backlog is at a near-record level, up 12% vs prior year. Our consistently strong backlog enables us to grow our talented team with an increase of ~290 employees over second quarter, and ~440 over prior year.

With one quarter left to go in our fiscal year, we are making excellent progress against our FY17 objectives. Our year-to-date performance resulted in us raising our revenue guidance range, and tightening our adjusted diluted earnings per share guidance (ADEPS) range for the year on our January 30th earnings call.

Our firm has a record of excellent returns to investors, and we strive to continue maximizing returns in the long-term. In January, the Board authorized and declared a two-cent increase to our third quarter dividend – increasing the dividend to \$0.17. In addition, the Board approved an increase to our share repurchase authorization, and as of January 30th, we are authorized to repurchase additional shares worth up to ~\$300M.

As we look to the long-term goals of Booz Allen, we recognize the need to invest today to ensure our future. To this end, we closed on the acquisition of digital services business Aquilent in January. The transaction will serve to bolster our growing technology capabilities, providing innovation and scale to our Digital Solutions business which will allow us to better serve our clients' core missions.

Please see below for a summary of the quarter's financial results:

	FY17 YTD	YOY % CHANGE	3Q FY17	YOY % CHANGE
Revenue	\$4.2B	+6.0%	\$1.4B	+7.4%
Net Income	\$186.2M	-18.5%	\$55.6M	-48.6%
Adj. Net Income	\$195.1M	+5.4%	\$56.6M	-8.4%
Adj. EBITDA	\$402.0M	+4.0%	\$122.5M	+1.1%
Diluted EPS	\$1.23	-18.5%	\$0.37	-47.9%
Adj. Diluted EPS	\$1.3	+4.8%	\$0.38	-7.3%
Total Backlog		\$13.5B +12% YoY		

For the full earnings release, please click [here](#).

You can also find a listing of recent notable contract awards [here](#).

I look forward to connecting with you to discuss our strategy and vision for the future. Please do not hesitate to reach out if you have any questions.

Regards,

Curt

Curt Riggle

Vice President of Investor Relations

Booz Allen Hamilton

[riggle\\_curt@bah.com](mailto:riggle_curt@bah.com)

[Investors.BoozAllen.com](http://Investors.BoozAllen.com)

Connect with me on [LinkedIn](#) and [Twitter](#).

