# Booz Allen Hamilton Holding Corp. (BAH)

*Updated May 27th, 2026 by Prakash Kolli*

## Key Metrics

| | | | | | |
|---|---|---|---|---|---|
| **Current Price:** | $88 | **5 Year CAGR Estimate:** | 14.0% | **Market Cap:** | $9.57B |
| **Fair Value Price:** | $117 | **5 Year Growth Estimate:** | 6.0% | **Ex-Dividend Date:** | 06/10/26 |
| **% Fair Value:** | 75% | **5 Year Valuation Multiple Estimate:** | 5.8% | **Dividend Payment Date:** | 06/26/26 |
| **Dividend Yield:** | 2.7% | **5 Year Price Target** | $157 | **Years Of Dividend Growth:** | 14 |
| **Dividend Risk Score:** | C | **Sector:** | Industrials | **Rating:** | Hold |

## Overview & Current Events

Booz Allen Hamilton Holding Corporation traces its roots to 1914. The company had an IPO on November 10, 2010. Booz is a leading provider of professional management and technology consulting services to the U.S. Government. Technology consulting services include information technology, cybersecurity, cloud computing, and engineering services. The company basically provides staffing to U.S. Government clients. About 97% of revenue is derived from contracts where the U.S. Government is the end client. Revenue was approximately 55% defense, 29% civil, and 17% intelligence in FY26. The company had $11.2B in revenue in FY26.

Booz reported mixed results for Q4 FY 2026 on May 22nd, 2026. Revenue decreased 6.4% to $2,783M from $2,974M, while adjusted diluted earnings per share gained 10.6% to $1.78 from $1.61 on a year-over-year basis on cost cuts. Booz decreased headcount to 31,500 in the quarter from 35,800 in the prior year. Client staff headcount decreased to 28,800 from 32,700 in the prior year. Greater head count drives revenue for the company. Contract type mix for the quarter varied as cost-reimbursable contracts was 58%, time-and-materials was 23%, and fixed-price was 19%. The firm's national security business is growing, and the civil business is declining.

The backlog is ~$38.0B of which $4,319M was funded, $10,183M was unfunded, and $24,685M was priced options. The book-to-bill ratio was 0.9X in the quarter, better than the prior year, but less than the 12-month average.

Booz set fiscal 2027 guidance at 0.0% - 4.0% revenue increase and $6.00 to $6.35 adjusted diluted EPS.

## Growth on a Per-Share Basis

| Year[1] | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2032 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **EPS** | $1.67 | $2.03 | $2.91 | $3.41 | $4.37 | $4.21 | $4.56 | $5.50 | $6.35 | $6.51 | ***$6.18*** | ***$8.27*** |
| **DPS** | $0.60 | $0.68 | $0.76 | $0.96 | $1.24 | $1.48 | $1.88 | $1.92 | $2.08 | $2.24 | ***$2.36*** | ***$2.87*** |
| **Shares[2]** | 143.5 | 140.0 | 138.7 | 136.3 | 132.6 | 132.2 | 130.8 | 129.7 | 128.3 | 122.4 | ***119.9*** | ***114.1*** |

The EPS history for Booz Allen Hamilton's short operating history as a public company has been volatile because of an unstable federal budget environment. However, Booz exhibited an upward trend in EPS from fiscal 2016 until 2021. Earnings began to grow again in 2023. However, the federal government's budget priorities have changed, and it is cutting personnel. We expect growth to slow and competition to increase. We are now forecasting on average a 6% annual growth rate for EPS out to FY 2032. This will be driven by client demand for the company's services, around 1%+ decrease in share count annually, and tuck-in acquisitions. A downside risk is poor billing practices and significant uncertainty with the current administration's budget and priorities that can lead to contract losses.

The company consistently repurchases shares each year but at the expense of more debt. Booz has reliably increased the dividend at a double-digit rate since FY 2012. However, we previously lowered our forecast to a 4% average annual growth rate in dividend per share out to FY 2032 because leverage is elevated and growth will likely slow. The company has historically paid out 25% to 35% of its earnings in dividend distributions.

[1] BAH's fiscal year ends on the last day of March, and all the tables are in fiscal year.

[2] Share count in millions.

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## Valuation Analysis

| Year | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | Now | 2032 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Avg. P/E | 19.2 | 17.9 | 17.3 | 20.3 | 20.9 | 20.0 | 23.9 | 22.1 | 23.4 | 12.3 | ***14.3*** | ***19.0*** |
| Avg. Yld. | 1.9% | 1.7% | 1.5% | 1.7% | 1.6% | 1.8% | 1.5% | 1.9% | 1.6% | 2.9% | ***2.7%*** | ***1.8%*** |

Booz Allen Hamilton's stock price is down again since our last report on mixed results, despite an improving outlook. We lowered our fair value estimate to 19X, near the 10-year average. We set our FY 2027 earnings estimate to near the mid-point of updated guidance. Our fair value estimate is $117. Our 5-year price target is $157.

## Safety, Quality, Competitive Advantage, & Recession Resiliency

| Year | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2032 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Payout | 36% | 33% | 26% | 28% | 28% | 35% | 41% | 35% | 33% | 35% | ***38%*** | ***35%*** |

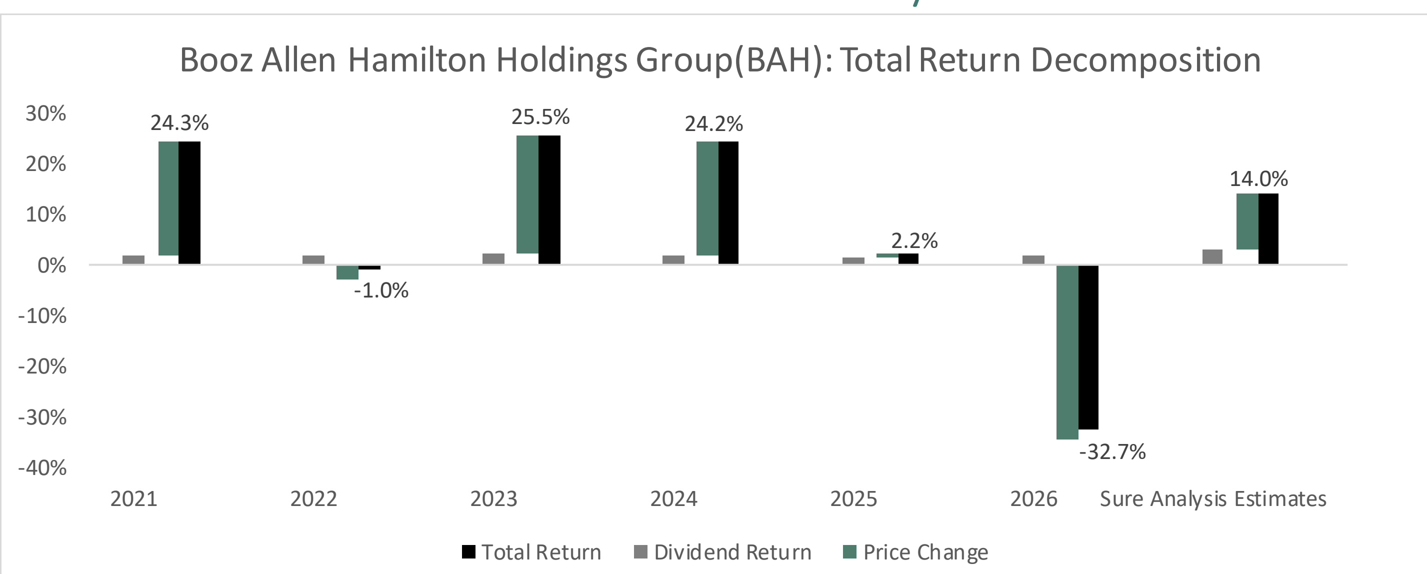
Booz Allen Hamilton is one of the largest prime services contractors for the U.S. Government. The company's competitive advantages include its scale, long-term history, technical depth, first mover advantage with many clients, and historical knowledge of many consulting projects. This is evident in the ~90% win rate for recompete contracts and ~61% win rate for new contracts. This provides some degree of recession resistance. But saying that, the company is not immune to economic downturns or slowdowns in federal government spending. Events such as changes in administration or party control of Congress can affect the federal budget and impact Booz' top and bottom lines.

The company has $19M in current long-term debt and $3,921M in long-term debt offset by $728M in cash and equivalents at end of the quarter. The leverage ratio is rising and is now ~2.55X and interest coverage is ~5.95X.

## Final Thoughts & Recommendation

At present we are forecasting on average a 14.0% annualized total return through FY 2032 from a dividend yield of 2.7%, 6.0% EPS growth, and 5.8% P/E multiple expansion. The current administration has caused a significant shift in budget priorities and the government services contracting environment. That said, demand is picking up, particularly in National Security work. However, competition is strong, headcount is falling, leverage is high, the backlog is declining, and bookings are soft. The firm has been restructuring and making targeted costs and head-count reductions to match demand. Booz Allen Hamilton maintains its 'hold' rating.

## Total Return Breakdown by Year

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## Income Statement Metrics

| Year | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|---|---|---|---|
| Revenue | 5406 | 5809 | 6168 | 6704 | 7464 | 7859 | 8364 | 9259 | 10662 | 11980 |
| Gross Profit | 2826 | 3131 | 3301 | 3604 | 4085 | 4201 | 4464 | 4954 | 5741 | 2616 |
| Gross Margin | 52.3% | 53.9% | 53.5% | 53.8% | 54.7% | 53.5% | 53.4% | 53.5% | 53.8% | 21.8% |
| SG&A Exp. | 2320 | 2565 | 2717 | 2933 | 3334 | 336 | 3633 | 4342 | 1281 | 1246 |
| D&A Exp. | 62 | 60 | 65 | 69 | 81 | 84 | 146 | 165 | 164 | 165 |
| Operating Profit | 445 | 506 | 520 | 602 | 669 | 754 | 685 | 447 | 1013 | 1263 |
| Operating Margin | 8.2% | 8.7% | 8.4% | 9.0% | 9.0% | 9.6% | 8.2% | 4.8% | 9.5% | 10.5% |
| Net Profit | 294 | 261 | 302 | 419 | 483 | 609 | 466 | 272 | 606 | 930 |
| Net Margin | 5.4% | 4.5% | 4.9% | 6.2% | 6.5% | 7.7% | 5.6% | 2.9% | 5.7% | 7.8% |
| Free Cash Flow | 183 | 328 | 291 | 405 | 423 | 631 | 657 | 527 | 192 | 911 |
| Income Tax | 85 | 165 | 128 | 97 | 97 | 54 | 137 | 97 | 248 | 284 |

## Balance Sheet Metrics

| Year | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|---|---|---|---|
| Total Assets | 3010 | 3373 | 3607 | 3832 | 4794 | 5500 | 6026 | 6551 | 6564 | 7574 |
| Cash & Equivalents | 188 | 217 | 287 | 284 | 742 | 991 | 696 | 405 | 554 | 885 |
| Accounts Receivable | 309 | 341 | 395 | 495 | 475 | 375 | 465 | 552 | 700 | 2271 |
| Goodwill & Int. Ass. | 1583 | 1843 | 1860 | 1868 | 1882 | 1888 | 2669 | 3024 | 2945 | 2968 |
| Total Liabilities | 2602 | 2800 | 3044 | 3156 | 3938 | 4428 | 4979 | 5559 | 5517 | 6571 |
| Accounts Payable | 247 | 269 | 340 | 418 | 433 | 372 | 540 | 598 | 653 | 693 |
| Long-Term Debt | 1597 | 1663 | 1819 | 1760 | 2186 | 2357 | 2800 | 2812 | 3412 | 4178 |
| Shareholder's Equity | 408 | 574 | 562 | 675 | 856 | 1071 | 1046 | 992 | 1047 | 1003 |
| LTD/E Ratio | 3.91 | 2.90 | 3.23 | 2.61 | 2.55 | 2.20 | 2.68 | 2.83 | 3.26 | 4.21 |

## Profitability & Per Share Metrics

| Year | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|---|---|---|---|
| Return on Assets | 10.0% | 8.2% | 8.6% | 11.3% | 11.2% | 11.2% | 8.1% | 4.3% | 9.2% | 12.9% |
| Return on Equity | 98.9% | 53.1% | 53.1% | 67.6% | 63.0% | 63.2% | 44.1% | 26.7% | 59.4% | 90.7% |
| ROIC | 15.5% | 12.3% | 13.1% | 17.4% | 17.6% | 17.6% | 12.8% | 7.1% | 14.7% | 18.8% |
| Shares Out. | 148.0 | 148.9 | 143.5 | 140.0 | 138.7 | 138.7 | 134.9 | 132.7 | 130.8 | 128.3 |
| Revenue/Share | 36.11 | 38.66 | 41.74 | 46.83 | 52.85 | 56.66 | 62.02 | 69.76 | 81.50 | 93.38 |
| FCF/Share | 1.22 | 2.19 | 1.97 | 2.83 | 3.00 | 4.55 | 4.87 | 3.97 | 1.47 | 7.10 |

*Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.*

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