



FTI Consulting's Corporate Issues Study Finds That Investor Confidence Provides Companies with Permission to Operate in Times of Change

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Investor Confidence is Largely Built through Proactive and Effective Communication Strategies

WASHINGTON, March 31, 2016 (GLOBE NEWSWIRE) -- FTI Consulting, Inc. (NYSE:FCN), the global business advisory firm dedicated to helping organizations protect and enhance their enterprise value, today released the first installment of the Company's [Corporate Issues Study](#), which takes an in-depth look at the role investor confidence plays when it comes to evaluating a variety of corporate issues.

The study, which is derived from a recent FTI Consulting survey of more than 300 institutional investors, demonstrates that when investors have confidence in a company, that company receives significant permission to operate when faced with a critical event, issue or transaction. This confidence is in large part driven by sustained and articulate communication strategies. Conversely, when that confidence is not built ahead of time, investors assume a decidedly skeptical stance when evaluating the company's likelihood for success.

"Companies experience a broad variety of inflection points throughout their lifecycle – all of which can dramatically impact enterprise value," said [Edward J. Reilly](#), Global Chief Executive Officer of the Strategic Communications segment at FTI Consulting. "While a lot of focus is placed on what is done in that moment, our study confirms the significant role that confidence plays in a company's ability to execute on its strategy. This speaks to the importance of proactively building that confidence ahead of time through communication and engagement."

The first installment of the study considers mergers and acquisitions ("M&A"), initial public offerings ("IPO"), spin-offs and shareholder activism. The second installment of this research will examine three additional corporate issues: executive transitions, regulatory change and crises.

Some key findings from the first installment of the study include the following:

- Investors are 46 percent more likely to be very concerned with a transaction with limited cost synergies if they are not confident in a company's ability to execute deals;
- Investors are less likely to be very concerned and more likely to support activist pressure to engage in M&A (38 percent) spin-off or sell assets (23 percent), change capital allocation policies (44 percent) or add new board members (63 percent), when they lack confidence in management; and
- Investors are 56 percent more likely to be concerned about high debt leverage for an IPO when they lack confidence in the company and management.

The *Corporate Issues Study* dovetails FTI Consulting's [2014 Enterprise Value Study](#), which found that confidence is the key to influencing behavior and driving stakeholder action. For example, the study showed company confidence is linked to decision making among employees to join or stay at a company, customers to buy products and services, investors to purchase and hold stock in the company, and policymakers and citizens to advocate for the company in their communities.

The full *Corporate Issues Study* from FTI Consulting, along with infographics and other insights can be accessed [here](#).

Research Methodology

The Strategic Communications segment at FTI Consulting executed the primary research, surveying more than 300 institutional investors worldwide. FTI Consulting developed a split sample survey approach whereby participants were randomly selected for two groups. This was done for each confidence related question. The questions posed to each group were identical with one exception: one group was asked to answer the question about companies they were confident in, the other about companies they were not confident in. Results were then compared and the differences (delta) between the means of both groups were calculated. Statistical analysis was then performed on the data to ensure that the differences were statistically significant at the 95 percent confidence level.

About FTI Consulting

FTI Consulting, Inc. is a global business advisory firm dedicated to helping organizations protect and enhance enterprise value in an increasingly complex legal, regulatory and economic environment. With more than 4,600 employees located in 28 countries, FTI Consulting professionals work closely with clients to anticipate, illuminate and overcome complex business challenges in areas such as investigations, litigation, mergers and acquisitions, regulatory issues, reputation management, strategic communications and restructuring. The Company generated \$1.78 billion in revenues during fiscal year 2015. For more information, visit www.fticonsulting.com and connect with us on [Twitter \(@FTIConsulting\)](#), [Facebook](#) and [LinkedIn](#).

FTI Consulting, Inc.
1101 K Street NW
Washington, DC 20005
+1.202.312.9100

Investor Contact:

Mollie Hawkes
+1.617.747.1791
mollie.hawkes@fticonsulting.com

Media Contact:
Nicole Madison
+1.212.850.5647
nicole.madison@fticonsulting.com



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