



FTI Consulting Forecasts a 4.9 Percent Increase in Holiday Sales

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WEST PALM BEACH, Fla., Nov. 20, 2013 /PRNewswire/ -- FTI Consulting, Inc. (NYSE: FCN) today released its [2013 Holiday Retail Report](#), forecasting a **4.9 percent increase in holiday sales this season**. Despite slowing discretionary spending growth in recent months and anxiety over recent political turmoil in Washington, D.C., FTI Consulting's team of leading retail and consumer products industry professionals anticipate a potential silver lining to this holiday season.

"Our forecast for 2013 holiday sales indicates that this will be an average year by historical standards, but, nonetheless, one with which we suspect most retailers will be pleased," said [Bob Duffy](#), Global Leader of the firm's Retail & Consumer Products practice and Global Co-leader of the Corporate Finance/Restructuring segment. "Historically, there's been a trend of resiliency in the sector, even in years of economic weakness or mild contraction, and we expect this to continue during the holiday season as retailers actively court consumers through aggressive promotions."

FTI Consulting believes that retailers' gross margins will continue to be pressured by aggressive promotional activity. Retailers focused on the bottom-line must decide how to approach holiday markdowns without jeopardizing the profitability of the season. Declining EBITDA margins among retailers during the last two holiday seasons show that large retailers are willing to sacrifice gross margins to achieve incremental sales growth, and margin pressure has continued through the first half of 2013. The promotional strategies of certain large chains in the sector could quickly ripple through the lower-end and mid-market retail sectors. Furthermore, the ambitious turnaround efforts of several struggling chains could impact this season's sales and margins for the entire middle market sector.

"Department stores continue to be a closely watched segment of the retail sector given their challenge to stay competitive in today's value-oriented shopping environment, and these retailers need a strong holiday season to validate that their strategies are working," said Mr. Duffy. "Moreover, the relevance and viability of some longstanding retailers will be closely watched this season and could prove pivotal to their future as going concerns. Ultimately it is the customer that wins in this type of environment, as promotions and pricing transparency create better deals for shoppers with long shopping lists and relatively fixed spending budgets."

The 2013 Holiday Retail Report considers General Merchandise, Apparel and Accessories, Furniture and Other Sales ("GAFO") retail sales and non-store sales for November 2013 through January 2014. The report was compiled by the firm's team of leading retail and consumer products industry professionals with deep expertise in corporate finance, strategic, operational improvement, liquidity management, and turnaround and restructuring services. The report also includes expectations for online retailers, the growing influence of January sales on holiday sales and findings from proprietary consumer research. The full report is available [here](#).

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 4,100 employees located in 25 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 \$1.58 billion in revenues during fiscal year 2012. For more information, visit www.fticonsulting.com and connect with us on [Twitter \(@FTIConsulting\)](#), [Facebook](#) and [LinkedIn](#).

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