



# FTI Consulting, Inc.

*Current Investor Presentation*

*May 2020*



## Cautionary Note about Forward-Looking Statements

---

*This presentation includes “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which involve uncertainties and risks. Forward-looking statements include statements concerning our plans, objectives, goals, strategies, future events, future revenues, future results and performance, expectations, plans or intentions relating to acquisitions, share repurchases and other matters, business trends and other information that is not historical, including statements regarding estimates of our future financial results. When used in this presentation, words such as “estimates,” “expects,” “anticipates,” “projects,” “plans,” “intends,” “believes,” “forecasts” and variations of such words or similar expressions are intended to identify forward-looking statements. All forward-looking statements, including, without limitation, estimates of our future financial results, are based upon our expectations at the time we make them and various assumptions. Our expectations, beliefs and projections are expressed in good faith, and we believe there is a reasonable basis for them. However, there can be no assurance that management’s expectations, beliefs and estimates will be achieved, and the Company’s actual results may differ materially from our expectations, beliefs and estimates. Further, preliminary results are subject to normal year-end adjustments. The Company has experienced fluctuating revenues, operating income and cash flows in prior periods and expects that this will occur from time to time in the future. Other factors that could cause such differences include declines in demand for, or changes in, the mix of services and products that we offer, the mix of the geographic locations where our clients are located or where services are performed, fluctuations in the price per share of our common stock, adverse financial, real estate or other market and general economic conditions, the impact of the COVID-19 pandemic and related events that are beyond our control, which could affect our segments, practices and the geographic regions in which we conduct business, differently and adversely, and other future events, which could impact each of our segments, practices and the geographic regions in which we conduct business differently and could be outside of our control, the pace and timing of the consummation and integration of future acquisitions, the Company’s ability to realize cost savings and efficiencies, competitive and general economic conditions, retention of staff and clients, new laws and regulations, or changes thereto, and other risks described under the heading “Item 1A Risk Factors” in the Company’s Quarterly Report on Form 10-Q for the quarter ended March 31, 2020 and Annual Report on Form 10-K for the year ended December 31, 2019, filed with the Securities and Exchange Commission (“SEC”) and in the Company’s other filings with the SEC, including the risks set forth under “Risks Related to Our Reportable Segments” and “Risks Related to Our Operations.” We are under no duty to update any of the forward-looking statements to conform such statements to actual results or events and do not intend to do so.*



# Investment Thesis

---



Leading global business advisory firm with **strong people** and **strong positions**: corporations, law firms and governments come to us when there is a critical need




**Organic growth strategy** with an emphasis on profitable revenue growth



Committed to building a profitable business with **sustainable underlying growth**, regardless of economic conditions



**Willingness to invest EBITDA** in key growth areas where we have a right to win



**Healthy balance sheet** and **strong cash flows** with a commitment to return capital to our stockholders



Believe we are on a path toward **sustained double-digit year-over-year Adjusted EPS growth over time**

# FTI Consulting: Experts with Impact

**FCN**

Publicly  
Traded

**\$4.7BLN**

Equity Market  
Capitalization<sup>1</sup>

**1982**

Year Founded

**5,500+**

Total Employees  
Worldwide

**550+**

Senior Managing  
Directors

**82**

Cities Around the  
Globe

**9**

9 Specialized Industry  
Practice Groups

**Fortune  
1000**

Company

**8/10**

Advisor to 8 of the World's  
Top 10 Bank Holding  
Companies

**96/100**

Advisor to 96 of the World's  
Top 100 Law Firms

**53/100**

Advisor to 53 of the  
Global 100 Corporations

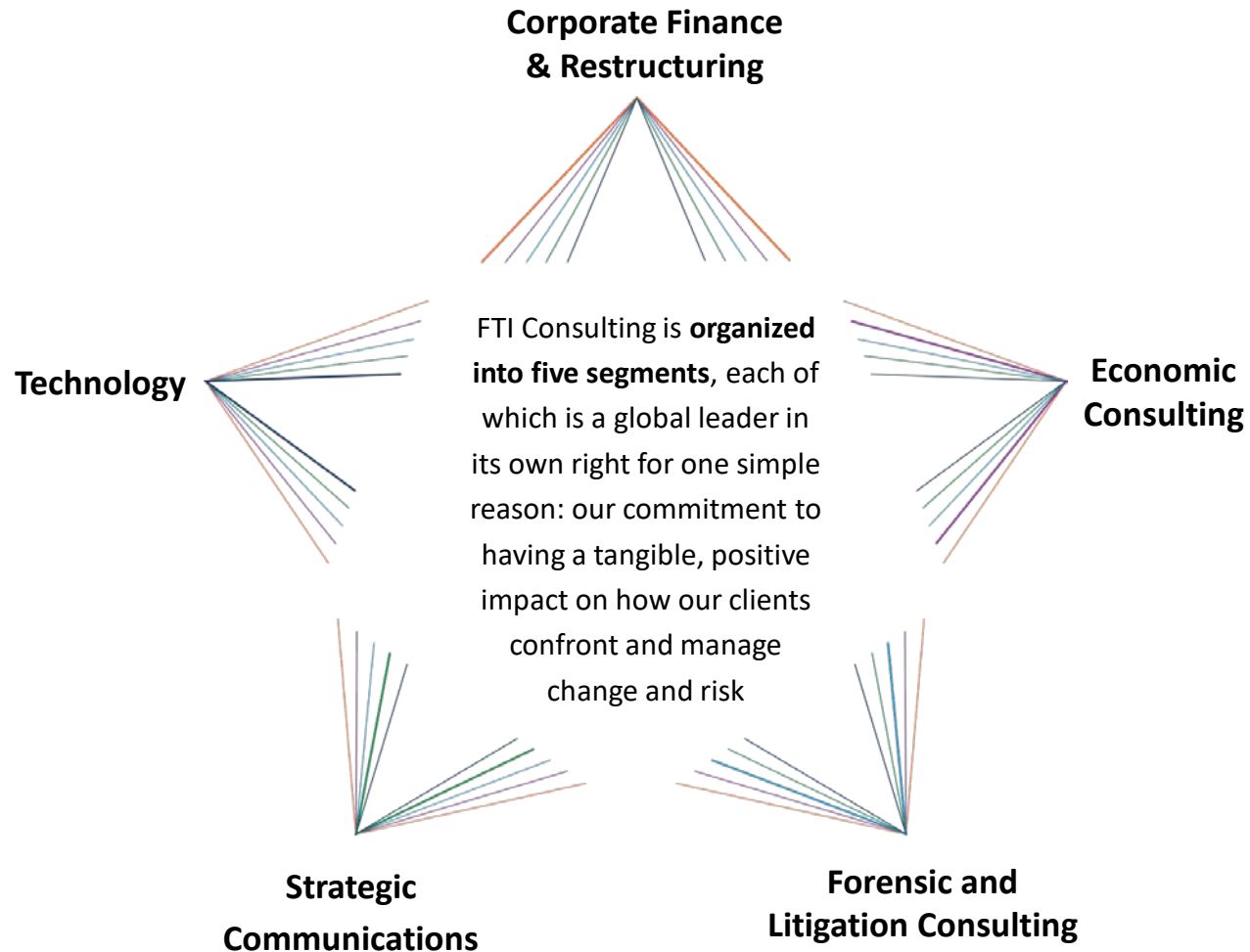


# Our Global Reach

With offices in every major financial center and every corner of the globe, we successfully serve our clients wherever challenges and opportunities arise

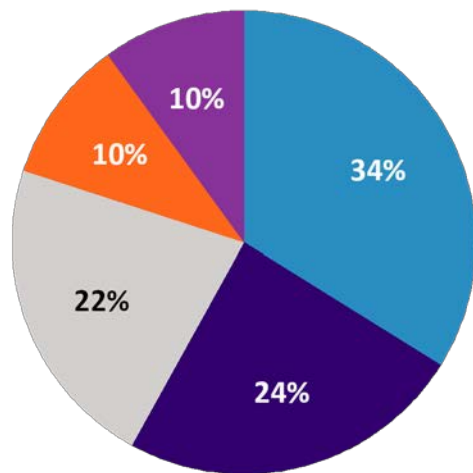


# Business Snapshot: Five Segments, One Purpose

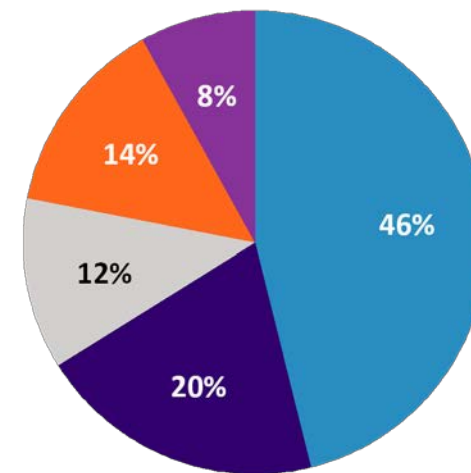


# Segment Snapshot: Revenues and Total Adjusted Segment EBITDA

### Q1 2020 Segment Revenues



### Q1 2020 Total Adjusted Segment EBITDA<sup>1</sup>



Corporate Finance & Restructuring

Forensic and Litigation Consulting

Economic Consulting

Technology

Strategic Communications

# Corporate Finance & Restructuring

## Services

- **Restructuring**
  - Company Advisory
  - Creditor Advisory
  - Interim Management
  - Contentious Insolvency
  - Dispute Advisory/Litigation Support
- **Business Transformation**
  - Office of the CFO Solutions
  - Performance Improvement
  - Merger Integration



	2017	2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	2019	Q1 2020
<b>Segment Revenues</b>	\$482,041	\$564,479	\$160,966	\$190,003	\$191,698	\$181,054	\$723,721	\$207,749
<b>Segment Gross Profit Margin</b>	33.9%	37.3%	38.1%	40.8%	39.8%	30.0%	37.2%	38.1%
<b>Segment SG&amp;A</b>	\$83,747	\$92,037	\$24,890	\$27,969	\$29,168	\$30,603	\$112,630	\$31,178
<b>Adjusted Segment EBITDA</b>	\$82,863	\$121,660	\$37,361	\$50,492	\$48,084	\$24,798	\$160,735	\$48,946
<b>Adjusted Segment EBITDA Margin</b>	17.2%	21.6%	23.2%	26.6%	25.1%	13.7%	22.2%	23.6%
<b>Utilization</b>	61%	66%	70%	68%	70%	59%	67%	69%
<b>Revenue-Generating Professionals</b>	901	948	982	1,011	1,177	1,194	1,194	1,248



# Corporate Finance & Restructuring (continued)

## Segment Offering

The Corporate Finance & Restructuring segment focuses on strategic, operational, financial and capital needs of businesses by addressing the full spectrum of financial and transactional challenges faced by companies, boards, private equity sponsors, creditor constituencies and other stakeholders.

## Medium-Term Growth Opportunities

Enhance **Business Transformation and Transactions** capabilities

Grow **Restructuring** globally

**Deeper penetration of key industries** e.g., Retail, Healthcare, TMT, Industrials, Automotive and Energy

## Q1 2020 Key Financial Commentary

**Revenues** increased \$46.8 million, or 29.1%, from Q1 2019 to Q1 2020, which included a 1.1% estimated negative impact from FX. Acquisition-related revenues contributed \$13.5 million compared to 2019. Excluding the estimated impact from FX and the acquisition-related revenues, revenues increased \$35.0 million, or 21.7%, primarily due to increased demand for our restructuring and business transformation and transactions services.

**Gross profit** increased \$17.8 million, or 29.0%, from Q1 2019 to Q1 2020. Gross profit margin of 38.1% remained the same from Q1 2019 to Q1 2020.

**Adjusted Segment EBITDA** was \$48.9 million, or 23.6% of segment revenues, compared to \$37.4 million, or 23.2% of segment revenues, in the prior year quarter.

# Forensic and Litigation Consulting

## Services

- Forensic Accounting & Advisory Services
- Global Risk & Investigations Practice
- Cybersecurity
- Export Controls & Sanctions
- Dispute Advisory Services
- Trial Services
- Data & Analytics
- Compliance, Monitoring & Receivership
- Anti-Corruption Investigations & Compliance
- Financial Crimes and Anti-Money Laundering
- Global Insurance Services
- Construction Solutions
- Asset Lifecycle Management
- Environmental Solutions
- Health Solutions



	2017	2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	2019	Q1 2020
<b>Segment Revenues</b>	\$462,324	\$520,333	\$138,997	\$145,870	\$142,651	\$150,262	\$577,780	\$147,597
<b>Segment Gross Profit Margin</b>	33.9%	36.4%	39.5%	38.4%	36.0%	31.6%	36.3%	31.0%
<b>Segment SG&amp;A</b>	\$88,056	\$96,958	\$24,163	\$28,912	\$25,598	\$31,319	\$109,992	\$25,974
<b>Adjusted Segment EBITDA</b>	\$72,705	\$96,821	\$31,817	\$28,241	\$27,008	\$17,369	\$104,435	\$21,208
<b>Adjusted Segment EBITDA Margin</b>	15.7%	18.6%	22.9%	19.4%	18.9%	11.6%	18.1%	14.4%
<b>Utilization</b>	61%	64%	67%	65%	61%	59%	63%	58%
<b>Revenue-Generating Professionals</b>	1,067	1,153	1,194	1,212	1,326	1,351	1,351	1,393

# Forensic and Litigation Consulting (continued)

## Segment Offering

The Forensic & Litigation Consulting segment provides a complete range of multidisciplinary, independent dispute advisory, investigative, data acquisition/analysis and forensic accounting services. Our professionals combine end-to-end capabilities when clients face high stakes litigation, arbitration and compliance investigations and regulatory scrutiny.

## Medium-Term Growth Opportunities

Enhance **Construction Solutions, Cybersecurity** and **Data & Analytics** capabilities

**Grow overseas businesses** e.g., London and Hong Kong

**Strong utilization** in Disputes, Investigations and Health Solutions practices

## Q1 2020 Key Financial Commentary

**Revenues** increased \$8.6 million, or 6.2%, from Q1 2019 to Q1 2020. The increase was primarily driven by increased demand for our data & analytics, disputes and construction solutions services.

**Gross profit** decreased \$9.1 million, or 16.6%, from Q1 2019 to Q1 2020. Gross profit margin decreased 8.5 percentage points from Q1 2019 to Q1 2020. The decrease in gross profit margin was largely related to lower utilization as a result of increased headcount.

**Adjusted Segment EBITDA** was \$21.2 million, or 14.4% of segment revenues, compared to \$31.8 million, or 22.9% of segment revenues, in the prior year quarter.

# Economic Consulting

## Services

- Antitrust & Competition Economics
  - Non-M&A-related Antitrust
  - M&A-related Antitrust
- Financial Economics
  - Valuation
  - Securities Litigation & Risk Management
- International Arbitration
- Regulated Industries
- Intellectual Property
- Labor & Employment
- Public Policy
- Center for Healthcare Economics and Policy
- Management Consulting
  - Economic Impact Analysis
  - Market Modeling
- Applied Statistical Data Sciences



	2017	2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	2019	Q1 2020
<b>Segment Revenues</b>	\$496,029	\$533,979	\$142,271	\$155,502	\$141,715	\$153,054	\$592,542	\$132,138
<b>Segment Gross Profit Margin</b>	25.9%	25.8%	28.5%	25.5%	26.0%	24.7%	26.1%	23.6%
<b>Segment SG&amp;A</b>	\$71,943	\$73,630	\$17,975	\$17,852	\$18,808	\$21,667	\$76,302	\$19,705
<b>Adjusted Segment EBITDA</b>	\$61,964	\$69,955	\$24,040	\$23,313	\$19,413	\$17,346	\$84,112	\$12,710
<b>Adjusted Segment EBITDA Margin</b>	12.5%	13.1%	16.9%	15.0%	13.7%	11.3%	14.2%	9.6%
<b>Utilization</b>	67%	69%	77%	79%	70%	72%	75%	68%
<b>Revenue-Generating Professionals</b>	683	708	715	712	764	790	790	810

# Economic Consulting (continued)

## Segment Offering

The Economic Consulting segment, including subsidiary Compass Lexecon, provides analysis of complex economic issues. We help our clients with legal, regulatory and international arbitration proceedings; strategic decision making and public policy debates around the world. We deliver sophisticated economic analysis and modeling of issues arising in M&A transactions, complex antitrust litigation, commercial disputes, international arbitration, regulatory proceedings and a wide range of securities litigation. Our statistical and economic experts help clients analyze complex economic issues, such as the economic impact of deregulation on a particular industry or the amount of damages suffered by a business as a result of particular events.

## Medium-Term Growth Opportunities

**Maintain leading position** of Compass Lexecon in the U.S.

**Grow overseas businesses** e.g., EMEA, Australia and Asia

**Develop adjacent businesses in the U.S.** e.g., International Arbitration, Energy, Healthcare, TMT and Financial Services

## Q1 2020 Key Financial Commentary

**Revenues** decreased \$10.1 million, or 7.1%, from Q1 2019 to Q1 2020. The decrease was primarily due to lower demand for financial economics and non-M&A-related antitrust services, along with lower realized rates for our international arbitration and M&A-related antitrust services. This was partially offset by higher demand for M&A-related antitrust services.

**Gross profit** decreased \$9.4 million, or 23.1%, from Q1 2019 to Q1 2020. Gross profit margin decreased 4.9 percentage points from Q1 2019 to Q1 2020. The decrease in gross profit margin was primarily due to lower utilization and realization.

**Adjusted Segment EBITDA** was \$12.7 million, or 9.6% of segment revenues, compared to \$24.0 million, or 16.9% of segment revenues, in the prior year quarter.

# Technology

## Services

- E-discovery and Data Compliance Management
- Managed Document Review
- Digital Forensics
- Information Governance, Privacy & Security
- Contract Intelligence



	2017	2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	2019	Q1 2020
<b>Segment Revenues</b>	\$174,850	\$185,755	\$51,336	\$55,632	\$57,083	\$51,533	\$215,584	\$58,723
<b>Segment Gross Profit Margin</b>	41.9%	40.2%	44.4%	43.4%	41.7%	41.4%	42.7%	43.5%
<b>Segment SG&amp;A</b>	\$62,858	\$59,644	\$12,356	\$13,600	\$14,696	\$16,406	\$57,058	\$13,957
<b>Adjusted Segment EBITDA</b>	\$22,171	\$27,387	\$12,723	\$12,875	\$12,286	\$7,804	\$45,688	\$14,484
<b>Adjusted Segment EBITDA Margin</b>	12.7%	14.7%	24.8%	23.1%	21.5%	15.1%	21.2%	24.7%
<b>Revenue-Generating Professionals</b>	292	306	315	323	348	361	361	374



# Technology (continued)

---

## Segment Offering

---

Our Technology segment provides corporations and law firms with a comprehensive and global portfolio of consulting and services for information governance, privacy and security, electronic discovery ("e-discovery") and insight analytics. Our consulting expertise enables clients to more confidently govern, secure, find, analyze and rapidly understand their data in the context of compliance and risk.

## Medium-Term Growth Opportunities

---

**Expand addressable market through new distribution channels** for Consulting & Services

---

**Invest in new and adjacent services** e.g., Information Governance, Privacy & Security Services and Contract Intelligence

---

**Grow overseas businesses** e.g., Europe, the Middle East and India

---

## Q1 2020 Key Financial Commentary

---

**Revenues** increased \$7.4 million, or 14.4%, from Q1 2019 to Q1 2020. The increase was largely driven by higher demand for our consulting services and increased realized rates, primarily related to M&A-related and global cross border investigations services.

**Gross profit** increased \$2.8 million, or 12.1%, from Q1 2019 to Q1 2020. Gross profit margin decreased by 0.9 percentage points from Q1 2019 to Q1 2020. The slight decline in gross profit margin was due to a decrease in demand for higher-margin electronic processing and review services, which was partially offset by higher realized rates for our consulting services.

**Adjusted Segment EBITDA** was \$14.5 million, or 24.7% of segment revenues, compared to \$12.7 million, or 24.8% of segment revenues, in the prior year quarter.

# Strategic Communications

## Services

- Corporate Reputation
- Public Affairs & Government Relations
- Capital Markets Communications
- Crisis Communications
- Transaction Communications
- Digital, Analytics & Insights



	2017	2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	2019	Q1 2020
<b>Segment Revenues</b>	\$192,488	\$223,331	\$57,704	\$59,112	\$59,959	\$66,315	\$243,090	\$58,386
<b>Segment Gross Profit Margin</b>	36.7%	39.1%	39.3%	38.2%	39.9%	34.1%	37.8%	35.5%
<b>Segment SG&amp;A</b>	\$45,947	\$46,772	\$11,691	\$12,688	\$11,898	\$13,426	\$49,703	\$12,556
<b>Adjusted Segment EBITDA</b>	\$27,732	\$42,918	\$11,549	\$10,474	\$12,644	\$9,877	\$44,544	\$8,776
<b>Adjusted Segment EBITDA Margin</b>	14.4%	19.2%	20.0%	17.7%	21.1%	14.9%	18.3%	15.0%
<b>Revenue-Generating Professionals</b>	630	641	658	672	719	728	728	755



# Strategic Communications (continued)

## Segment Offering

The Strategic Communications segment provides a comprehensive view of strategic communications with an integrated suite of services, including financial communications, corporate reputation, transaction communications and public affairs in all the major markets around the world.

## Medium-Term Growth Opportunities

**Further develop large, complex client relationships**

**Enhance market share in highly regulated industries** e.g., Financial Services, Energy, Healthcare, Industrials and TMT

**Leverage FTI Consulting's services and platform** to enhance client results

## Q1 2020 Key Financial Commentary

**Revenues** increased \$0.7 million, or 1.2%, from Q1 2019 to Q1 2020, which included a 1.4% estimated negative impact from FX. Excluding the estimated negative impact of FX, revenues increased \$1.5 million, or 2.5%, primarily due to higher demand for public affairs services.

**Gross profit** decreased \$1.9 million, or 8.5%, from Q1 2019 to Q1 2020. Gross profit margin decreased 3.8 percentage points from Q1 2019 to Q1 2020. The decrease in gross profit margin was primarily due to higher personnel costs related to increased headcount.

**Adjusted Segment EBITDA** was \$8.8 million, or 15.0% of segment revenues, compared to \$11.5 million, or 20.0% of segment revenues, in the prior year quarter.

## First Quarter 2020: Select Awards & Accolades



Recognized in 18 categories  
of the Best of 2020 reader  
rankings  
*Corporate Counsel*



Ranked #1 on 1Q20  
Bankruptcy League  
Tables  
*The Deal*



Named Vanguard Leader in  
Capital Projects & Infrastructure  
Consulting  
*ALM Intelligence*



11 professionals  
named to the  
*Data 2020* list  
*Who's Who Legal*



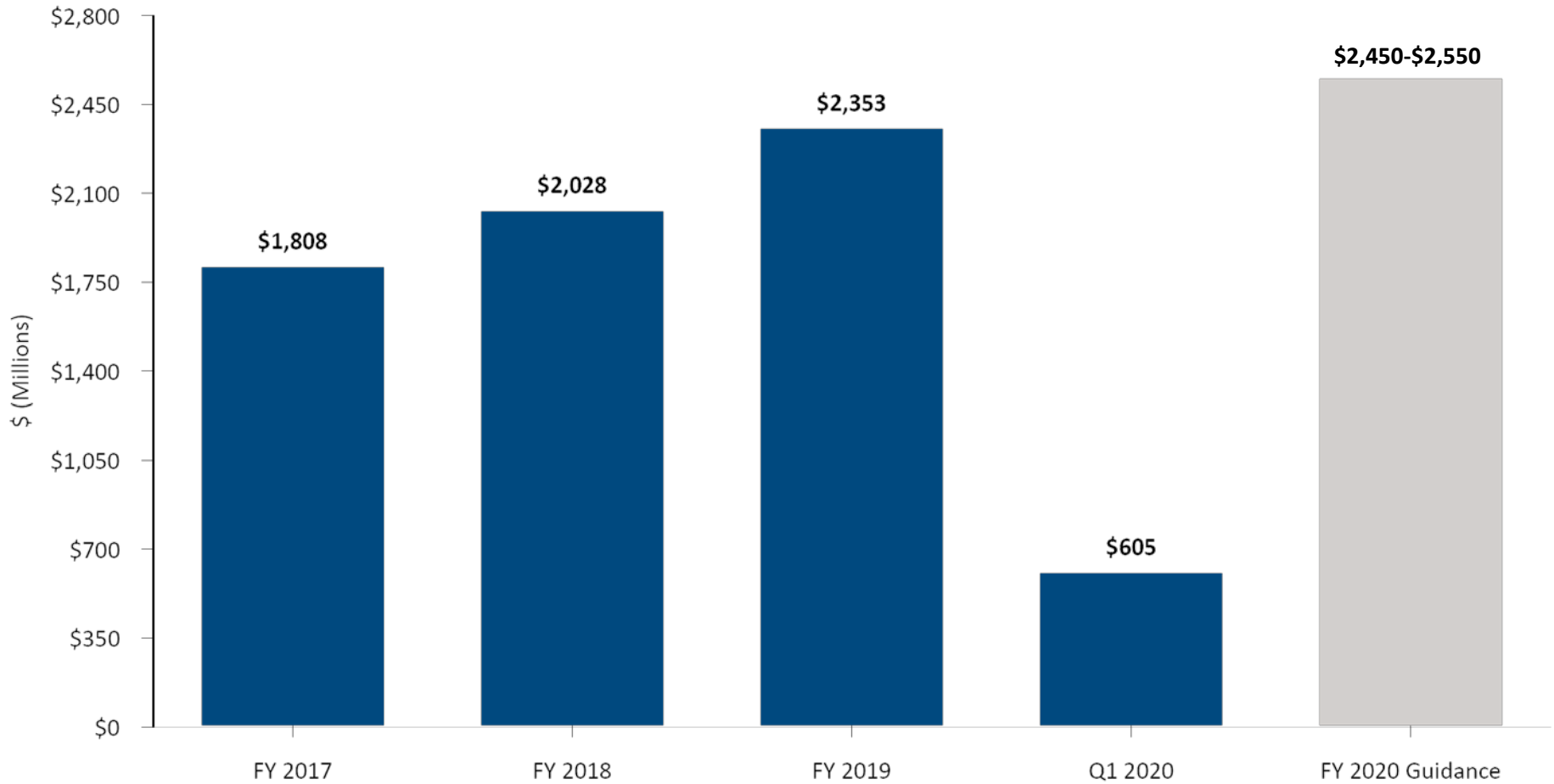
Twenty-five professionals  
recognized as leading  
forensic accounting and  
digital forensic experts on  
the *Who's Who Legal:  
Investigations 2020* list



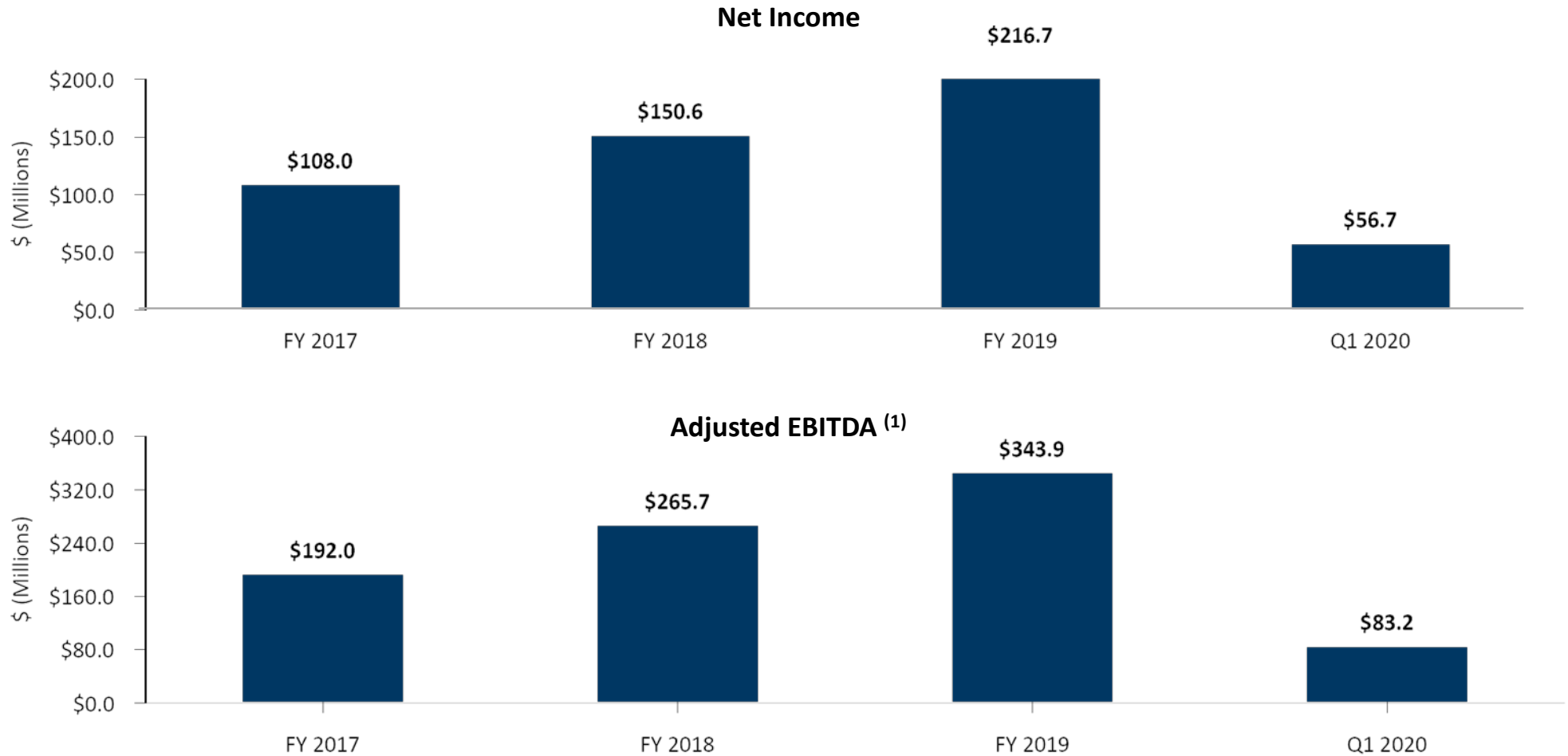
Named to *Forbes*  
magazine's list of  
America's Best  
Management Consulting  
Firms for the fifth  
consecutive year

# Financial Overview

## FY 2017 – Q1 2020 and FY 2020 Guidance: Revenues



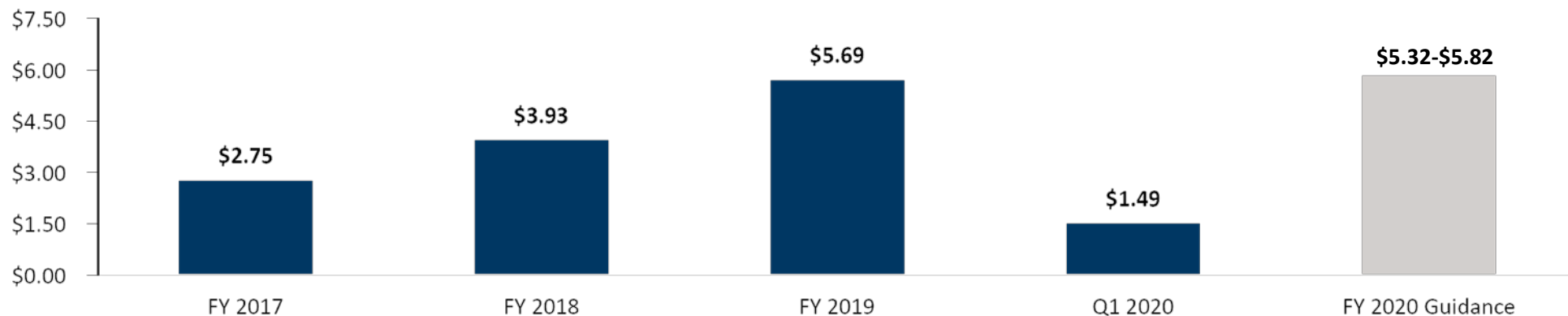
# FY 2017 – Q1 2020: Net Income and Adjusted EBITDA



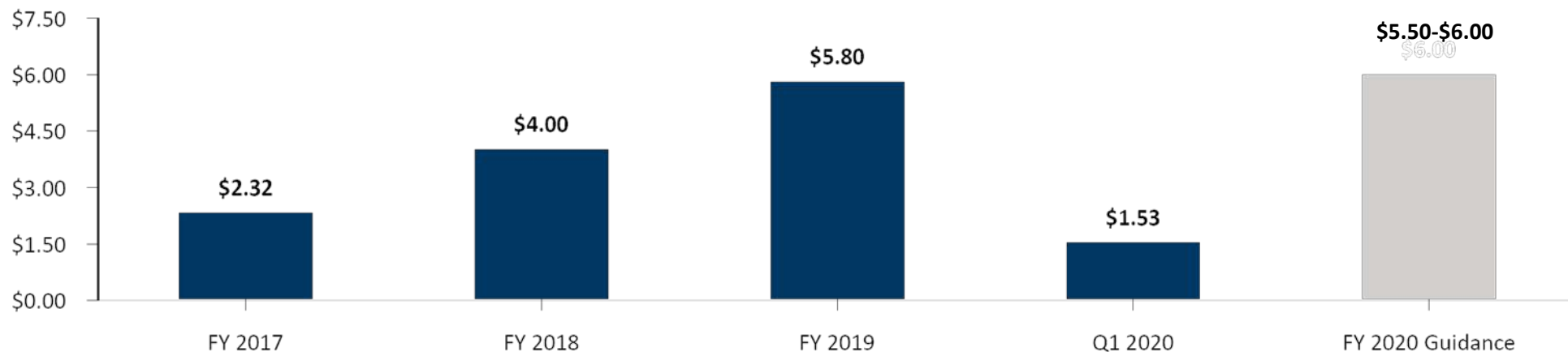
<sup>1</sup> See accompanying financial tables and “End Notes: FTI Consulting Non-GAAP Financial Measures” for the definition and reconciliations of Adjusted EBITDA, which is a non-GAAP financial measure, to the most directly comparable GAAP financial measure.

# FY 2017 – Q1 2020 and FY 2020 Guidance: Earnings Per Diluted Share and Adjusted Earnings Per Diluted Share

Earnings Per Diluted Share



Adjusted Earnings Per Diluted Share <sup>(1)</sup>



<sup>1</sup> See accompanying financial tables and “End Notes: FTI Consulting Non-GAAP Financial Measures” for the definition and reconciliations of Adjusted Earnings Per Diluted Share, which is a non-GAAP financial measure, to the most directly comparable GAAP financial measure.

# Q1 2020, and Full Year 2019, 2018 and 2017: Select Cash Position and Capital Allocation

All numbers in thousands, except for DSOs

	Q1 2020	FY 2019	FY 2018	FY 2017
<b>Cash and cash equivalents</b>	\$ 223,063	\$ 369,373	\$ 312,069	\$ 189,961
<b>Accounts receivable, net</b>	\$ 736,898	\$ 693,372	\$ 554,608	\$ 522,878
<b>Days sales outstanding ("DSO")<sup>(1)</sup></b>	104	97	93	91
<b>Net cash provided by (used in) operating activities</b>	\$ (123,562)	\$ 217,886	\$ 230,672	\$ 147,625
<b>Purchases of property and equipment</b>	\$ (8,236)	\$ (42,072)	\$ (32,270)	\$ (32,004)
<b>Purchase and retirement of common stock</b>	\$ (49,135)	\$ (105,797)	\$ (55,738)	\$ (168,094)
<b>Total Debt<sup>(2)</sup></b>	\$ 366,250	\$ 316,250	\$ 316,250	\$ 400,000
<b>Free Cash Flow<sup>(3)</sup></b>	\$ (131,798)	\$ 175,814	\$ 198,402	\$ 115,621

<sup>1</sup> Days Sales Outstanding ("DSO") is a performance measure used to assess how quickly revenues are collected by the Company. We calculate DSO at the end of each reporting period by dividing net accounts receivable reduced by billings in excess of services provided by revenue for the quarter, adjusted for changes in foreign exchange rates. We multiply the result by the number of days in the quarter.

<sup>2</sup> Total debt excludes the impact of unamortized deferred debt issue costs of \$4.9 million, \$5.2 million, \$6.7 million and \$3.7 million as of March 31, 2020, December 31, 2019, December 31, 2018 and December 31 2017, respectively, and excludes the impact of the unamortized deferred debt discount of \$33.2 million, \$35.4 million and \$44.0 million as of March 31, 2020, December 31, 2019 and December 31, 2018, respectively, related to our 2.0% convertible senior notes due 2023 (the "2023 Convertible Notes").

<sup>3</sup> See accompanying financial tables and "End Notes: FTI Consulting Non-GAAP Financial Measures" for the definition and reconciliations of Free Cash Flow, which is a non-GAAP financial measure, to the most directly comparable GAAP financial measure.

# Financial Tables

## Reconciliations of Non-GAAP Financial Measures



## Reconciliation of Net Income to Adjusted EBITDA

(in thousands)	Q1 2020	FY 2019	FY 2018	FY 2017
<b>Net Income</b>	<b>\$ 56,747</b>	<b>\$ 216,726</b>	<b>\$ 150,611</b>	<b>\$ 107,962</b>
Income tax provision (benefit)	16,465	71,724	57,181	(20,857)
Interest income and other	(5,017)	(2,061)	(4,977)	(3,752)
Interest expense	4,861	19,206	27,149	25,358
Gain on sale of business	—	—	(13,031)	—
Loss on early extinguishment of debt	—	—	9,072	—
Depreciation and amortization	7,823	30,153	31,536	31,177
Amortization of other intangible assets	2,331	8,152	8,162	10,563
Special charges	—	—	—	40,885
Remeasurement of acquisition-related contingent consideration	—	—	—	702
<b>Adjusted EBITDA <sup>(1)</sup></b>	<b>\$ 83,210</b>	<b>\$ 343,900</b>	<b>\$ 265,703</b>	<b>\$ 192,038</b>

<sup>1</sup> See "End Notes: FTI Consulting Non-GAAP Financial Measures" for the definition of Adjusted EBITDA, which is a non-GAAP financial measure.

# Reconciliations of Net Income to Adjusted Net Income and Earnings Per Diluted Share to Adjusted Earnings Per Diluted Share

(in thousands, except for per share data)	Q1 2020	FY 2019	FY 2018	FY 2017
<b>Net income</b>	<b>\$56,747</b>	<b>\$216,726</b>	<b>\$150,611</b>	<b>\$107,962</b>
Add back:				
Special charges	—	—	—	40,885
Tax impact of special charges	—	—	—	(13,570)
Loss on early extinguishment of debt	—	—	9,072	—
Tax impact of loss on early extinguishment of debt	—	—	(2,359)	—
Remeasurement of acquisition-related contingent consideration	—	—	—	702
Tax impact of remeasurement of acquisition-related contingent consideration	—	—	—	(269)
Non-cash interest expense on convertible notes	2,225	8,606	3,019	—
Tax impact of non-cash interest expense on convertible notes	(579)	(2,237)	(775)	—
Gain on sale of business	—	—	(13,031)	—
Tax impact of gain on sale of business <sup>(1)</sup>	—	(2,097)	6,798	—
Impact of 2017 Tax Act	—	—	—	(44,870)
<b>Adjusted Net Income <sup>(2)</sup></b>	<b>\$58,393</b>	<b>\$220,998</b>	<b>\$153,335</b>	<b>\$90,840</b>
<b>Earnings per common share – diluted</b>	<b>\$1.49</b>	<b>\$5.69</b>	<b>\$3.93</b>	<b>\$2.75</b>
Add back:				
Special charges	—	—	—	1.04
Tax impact of special charges	—	—	—	(0.34)
Loss on early extinguishment of debt	—	—	0.23	—
Tax impact of loss on early extinguishment of debt	—	—	(0.06)	—
Remeasurement of acquisition-related contingent consideration	—	—	—	0.02
Tax impact of remeasurement of acquisition-related contingent consideration	—	—	—	(0.01)
Non-cash interest expense on convertible notes	0.06	0.23	0.08	—
Tax impact of non-cash interest expense on convertible notes	(0.02)	(0.06)	(0.02)	—
Gain on sale of business	—	—	(0.34)	—
Tax impact of gain on sale of business <sup>(1)</sup>	—	(0.06)	0.18	—
Impact of 2017 Tax Act	—	—	—	(1.14)
<b>Adjusted earnings per common share – diluted <sup>(2)</sup></b>	<b>\$1.53</b>	<b>\$5.80</b>	<b>\$4.00</b>	<b>\$2.32</b>
Weighted average number of common shares outstanding – diluted	38,190	38,111	38,318	39,192

<sup>1</sup> For 2019, represents a discrete tax adjustment resulting from a change in estimate related to the accounting for the sale of the Ringtail e-discovery software and related business.

<sup>2</sup> See “End Notes: FTI Consulting Non-GAAP Financial Measures” for the definitions of Adjusted Net Income and Adjusted Earnings Per Diluted Share, which are non-GAAP financial measures.

## Reconciliation of Net Income to Total Adjusted Segment EBITDA

(in thousands)	Q1 2020
<b>Net Income</b>	\$56,747
Add back:	
Income tax provision	16,465
Interest income and other	(5,017)
Interest expense	4,861
Unallocated corporate expense	23,591
Segment depreciation expense	7,146
Amortization of intangible assets	2,331
<b>Total Adjusted Segment EBITDA <sup>(1)</sup></b>	<b>\$106,124</b>

<sup>1</sup> See "End Notes: FTI Consulting Non-GAAP Financial Measures" for the definition of Total Adjusted Segment EBITDA, which is a non-GAAP financial measure.

# Reconciliation of Net Cash Provided by (Used in) Operating Activities to Free Cash Flow

(in thousands)	Q1 2020	FY 2019	FY 2018	FY 2017
<b>Net cash provided by (used in) operating activities</b>	<b>\$(123,562)</b>	<b>\$217,886</b>	<b>\$230,672</b>	<b>\$147,625</b>
Purchases of property and equipment	(8,236)	(42,072)	(32,270)	(32,004)
<b>Free Cash Flow <sup>(1)</sup></b>	<b>\$(131,798)</b>	<b>\$175,814</b>	<b>\$198,402</b>	<b>\$115,621</b>

# Reconciliation of Full Year 2020 EPS Guidance to Adjusted EPS Guidance

	Year Ended December 31, 2020	
	Low	High
<b>Guidance on estimated earnings per common share - diluted (GAAP) <sup>(1)</sup></b>	<b>\$5.32</b>	<b>\$5.82</b>
Non-cash interest expense on convertible notes, net of tax	0.18	0.18
<b>Guidance on estimated adjusted earnings per common share – diluted (Non-GAAP) <sup>(1)</sup></b>	<b>\$5.50</b>	<b>\$6.00</b>

<sup>1</sup> The forward-looking guidance on estimated full year 2020 EPS and Adjusted EPS does not reflect other gains and losses (all of which would be excluded from Adjusted EPS) related to the future impact of remeasurement of acquisition-related contingent consideration, special charges, goodwill impairment charges, losses on early extinguishment of debt and gain or loss on sale of a business as these items are dependent on future events that are uncertain and difficult to predict. The forward-looking guidance excludes any shares of common stock potentially issuable upon conversion of the 2023 Convertible Notes from the calculation of EPS.

# End Notes

## FTI Consulting Non-GAAP Financial Measures

*In this presentation, we sometimes use information derived from consolidated and segment financial information that may not be presented in our financial statements or prepared in accordance with generally accepted accounting principles in the United States ("GAAP"). Certain of these financial measures are considered not in conformity with GAAP ("non-GAAP financial measures") under the Securities and Exchange Commission ("SEC") rules. Specifically, we have referred to the following non-GAAP financial measures in this presentation:*

- *Adjusted EBITDA*
- *Total Adjusted Segment EBITDA*
- *Adjusted EBITDA Margin*
- *Adjusted Net Income*
- *Adjusted Earnings per Diluted Share*
- *Free Cash Flow*

*We have included the definitions of Segment Operating Income and Adjusted Segment EBITDA, which are GAAP financial measures, below in order to more fully define the components of certain non-GAAP financial measures in this presentation. We define Segment Operating Income as a segment's share of consolidated operating income. We use Segment Operating Income for the purpose of calculating Adjusted Segment EBITDA. We define Adjusted Segment EBITDA as a segment's share of consolidated operating income before depreciation, amortization of intangible assets, remeasurement of acquisition-related contingent consideration, special charges and goodwill impairment charges. We use Adjusted Segment EBITDA as a basis to internally evaluate the financial performance of our segments because we believe it reflects current core operating performance and provides an indicator of the segment's ability to generate cash. We define Adjusted EBITDA Margin, which is a non-GAAP financial measure, as Adjusted EBITDA as a percentage of total revenues.*

*We define Total Adjusted Segment EBITDA, which is a non-GAAP financial measure, as the total of Adjusted Segment EBITDA for all segments, which excludes unallocated corporate expenses. We define Adjusted EBITDA, which is a non-GAAP financial measure, as consolidated net income before income tax provision, other non-operating income (expense), depreciation, amortization of intangible assets, remeasurement of acquisition-related contingent consideration, special charges, goodwill impairment charges, gain or loss on sale of a business and losses on early extinguishment of debt. We believe that these non-GAAP financial measures, when considered together with our GAAP financial results and GAAP financial measures, provide management and investors with a more complete understanding of our operating results, including underlying trends. In addition, EBITDA is a common alternative measure of operating performance used by many of our competitors. It is used by investors, financial analysts, rating agencies and others to value and compare the financial performance of companies in our industry. Therefore, we also believe that these non-GAAP financial measures, considered along with corresponding GAAP financial measures, provide management and investors with additional information for comparison of our operating results with the operating results of other companies.*

*We define Adjusted Net Income and Adjusted Earnings per Diluted Share ("Adjusted EPS"), which are non-GAAP financial measures, as net income and earnings per diluted share ("EPS"), respectively, excluding the impact of remeasurement of acquisition-related contingent consideration, special charges, goodwill impairment charges, losses on early extinguishment of debt, non-cash interest expense on convertible notes, gain or loss on sale of a business and the impact of adopting the 2017 U.S. Tax Cuts and Jobs Act (the "2017 Tax Act"). We use Adjusted Net Income for the purpose of calculating Adjusted EPS. Management uses Adjusted EPS to assess total Company operating performance on a consistent basis. We believe that these non-GAAP financial measures, when considered together with our GAAP financial results and GAAP financial measures, provide management and investors with an additional understanding of our business operating results, including underlying trends.*

*We define Free Cash Flow, which is a non-GAAP financial measure, as net cash provided by operating activities less cash payments for purchases of property and equipment. We believe this non-GAAP financial measure, when considered together with our GAAP financial results, provides management and investors with an additional understanding of the Company's ability to generate cash for ongoing business operations and other capital deployment.*

*Non-GAAP financial measures are not defined in the same manner by all companies and may not be comparable with other similarly titled measures of other companies. Non-GAAP financial measures should be considered in addition to, but not as a substitute for or superior to, the information contained in our Consolidated Statements of Comprehensive Income.*



EXPERTS WITH IMPACT™