UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2022

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to
Commission File Number: 001-14875

FTI CONSULTING, INC.
(Exact Name of Registrant as Specified in its Charter)

Maryland	**52-1261113**
(State or Other Jurisdiction of Incorporation or Organization)	**(I.R.S. Employer Identification No.)**
555 12th Street NW Washington, DC	**20004**
(Address of Principal Executive Offices)	**(Zip Code)**

(202) 312-9100
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, $0.01 par value	**FCN**	**New York Stock Exchange**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at July 21, 2022
Common Stock, $0.01 par value	34,539,548

FTI CONSULTING, INC. AND SUBSIDIARIES

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PART I—FINANCIAL INFORMATION

FTI Consulting, Inc. and Subsidiaries

Condensed Consolidated Balance Sheets
(in thousands, except per share data)

Item 1. Financial Statements

	June 30, 2022 (Unaudited)	December 31, 2021
Assets		
Current assets		
Cash and cash equivalents	$ 255,730	$ 494,485
Accounts receivable, net	905,548	754,120
Current portion of notes receivable	29,773	30,256
Prepaid expenses and other current assets	100,668	91,166
Total current assets	1,291,719	1,370,027
Property and equipment, net	144,053	142,163
Operating lease assets	198,893	215,995
Goodwill	1,227,837	1,232,791
Intangible assets, net	28,613	31,990
Notes receivable, net	55,230	53,539
Other assets	56,823	54,404
Total assets	$ 3,003,168	$ 3,100,909
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable, accrued expenses and other	$ 165,455	$ 165,025
Accrued compensation	357,222	507,556
Billings in excess of services provided	48,217	45,535
Total current liabilities	570,894	718,116
Long-term debt, net	314,337	297,158
Noncurrent operating lease liabilities	218,001	236,026
Deferred income taxes	167,797	170,612
Other liabilities	101,520	95,676
Total liabilities	1,372,549	1,517,588
Commitments and contingencies (Note 10)		
Stockholders' equity		
Preferred stock, $0.01 par value; shares authorized — 5,000; none outstanding	—	—
Common stock, $0.01 par value; shares authorized — 75,000; shares issued and outstanding 34,540 (2022) and 34,333 (2021)	345	343
Additional paid-in capital	499	13,662
Retained earnings	1,805,485	1,698,156
Accumulated other comprehensive loss	(175,710)	(128,840)
Total stockholders' equity	1,630,619	1,583,321
Total liabilities and stockholders' equity	$ 3,003,168	$ 3,100,909

See accompanying notes to condensed consolidated financial statements

FTI Consulting, Inc. and Subsidiaries

Condensed Consolidated Statements of Comprehensive Income
(in thousands, except per share data)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Revenues	$ 754,992	$ 711,486	$ 1,478,612	$ 1,397,763
Operating expenses				
Direct cost of revenues	520,080	490,722	1,013,184	959,146
Selling, general and administrative expenses	167,940	133,930	316,911	260,476
Amortization of intangible assets	2,737	2,854	5,005	5,655
	690,757	627,506	1,335,100	1,225,277
Operating income	64,235	83,980	143,512	172,486
Other income (expense)				
Interest income and other	2,994	(912)	2,647	122
Interest expense	(2,448)	(5,294)	(5,090)	(10,091)
	546	(6,206)	(2,443)	(9,969)
Income before income tax provision	64,781	77,774	141,069	162,517
Income tax provision	13,353	14,992	30,320	35,239
Net income	$ 51,428	$ 62,782	$ 110,749	$ 127,278
Earnings per common share — basic	$ 1.52	$ 1.88	$ 3.29	$ 3.80
Earnings per common share — diluted	$ 1.43	$ 1.77	$ 3.10	$ 3.61
Other comprehensive income (loss), net of tax				
Foreign currency translation adjustments, net of tax expense of $0	$ (40,679)	$ 5,807	$ (46,870)	$ 565
Total other comprehensive income (loss), net of tax	(40,679)	5,807	(46,870)	565
Comprehensive income	$ 10,749	$ 68,589	$ 63,879	$ 127,843

See accompanying notes to condensed consolidated financial statements

FTI Consulting, Inc. and Subsidiaries

Condensed Consolidated Statements of Stockholders' Equity
(in thousands)
(Unaudited)

	Common Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total
	Shares	Amount				
Balance at December 31, 2021	34,333	$ 343	$ 13,662	$ 1,698,156	$ (128,840)	$ 1,583,321
Net income	—	$ —	$ —	$ 59,321	$ —	$ 59,321
Other comprehensive loss:						
Cumulative translation adjustment	—	—	—	—	(6,191)	(6,191)
Issuance of common stock in connection with:						
Exercise of options	26	—	923	—	—	923
Restricted share grants, less net settled shares of 54	134	2	(7,836)	—	—	(7,834)
Stock units issued under incentive compensation plan	—	—	1,664	—	—	1,664
Purchase and retirement of common stock	(22)	—	(3,098)	—	—	(3,098)
Cumulative effect due to adoption of new accounting standard	—	—	(34,131)	22,078	—	(12,053)
Conversion of convertible senior notes due 2023	—	—	(2)	—	—	(2)
Share-based compensation	—	—	5,967	—	—	5,967
Reclassification of negative additional paid-in capital	—	—	22,851	(22,851)	—	—
Balance at March 31, 2022	34,471	$ 345	$ —	$ 1,756,704	$ (135,031)	$ 1,622,018
Net income	—	—	—	51,428	—	51,428
Other comprehensive loss:						
Cumulative translation adjustment	—	—	—	—	(40,679)	(40,679)
Issuance of common stock in connection with:						
Exercise of options	22	—	687	—	—	687
Restricted share grants, less net settled shares of 55	47	—	(8,907)	—	—	(8,907)
Conversion of convertible senior notes due 2023	—	—	(11)	—	—	(11)
Share-based compensation	—	—	6,083	—	—	6,083
Reclassification of negative additional paid-in capital	—	—	2,647	(2,647)	—	—
Balance at June 30, 2022	34,540	$ 345	$ 499	$ 1,805,485	$ (175,710)	$ 1,630,619

	Common Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total
	Shares	Amount				
Balance at December 31, 2020	34,481	$ 345	$ —	$ 1,506,271	$ (106,435)	$ 1,400,181
Net income	—	$ —	$ —	$ 64,496	$ —	$ 64,496
Other comprehensive loss:						
Cumulative translation adjustment	—	—	—	—	(5,242)	(5,242)
Issuance of common stock in connection with:						
Exercise of options	12	—	434	—	—	434
Restricted share grants, less net settled shares of 63	157	1	(7,232)	—	—	(7,231)
Stock units issued under incentive compensation plan	—	—	2,603	—	—	2,603
Purchase and retirement of common stock	(422)	(4)	(3,047)	(43,082)	—	(46,133)
Share-based compensation	—	—	7,242	—	—	7,242
Balance at March 31, 2021	34,228	$ 342	$ —	$ 1,527,685	$ (111,677)	$ 1,416,350
Net income	—	$ —	$ —	$ 62,782	$ —	$ 62,782
Other comprehensive income:						
Cumulative translation adjustment	—	—	—	—	5,807	5,807
Issuance of common stock in connection with:						
Exercise of options	33	1	1,136	—	—	1,137
Restricted share grants, less net settled shares of 13	21	—	(1,814)	—	—	(1,814)
Share-based compensation	—	—	4,948	—	—	4,948
Balance at June 30, 2021	34,282	$ 343	$ 4,270	$ 1,590,467	$ (105,870)	$ 1,489,210

See accompanying notes to condensed consolidated financial statements

FTI Consulting, Inc. and Subsidiaries

Condensed Consolidated Statements of Cash Flows
(in thousands)
(Unaudited)

	Six Months Ended June 30, 2022	Six Months Ended June 30, 2021
Operating activities		
Net income	$ 110,749	$ 127,278
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation and amortization	18,095	16,765
Amortization and impairment of intangible assets	5,005	5,655
Acquisition-related contingent consideration	133	(1,130)
Provision for expected credit losses	8,752	8,236
Share-based compensation	12,050	12,190
Amortization of debt discount and issuance costs and other	1,068	5,685
Deferred income taxes	2,713	9,802
Changes in operating assets and liabilities, net of effects from acquisitions:		
Accounts receivable, billed and unbilled	(180,737)	(138,838)
Notes receivable	(1,985)	8,921
Prepaid expenses and other assets	(810)	6,728
Accounts payable, accrued expenses and other	13,854	(13,518)
Income taxes	(14,834)	6,695
Accrued compensation	(147,209)	(88,024)
Billings in excess of services provided	4,425	(7,471)
Net cash used in operating activities	(168,731)	(41,026)
Investing activities		
Payments for acquisition of businesses, net of cash received	(6,698)	(9,833)
Purchases of property and equipment and other	(25,637)	(27,696)
Net cash used in investing activities	(32,335)	(37,529)
Financing activities		
Borrowings under revolving line of credit	165,000	292,500
Repayments under revolving line of credit	(165,000)	(192,500)
Purchase and retirement of common stock	(3,098)	(46,133)
Share-based compensation tax withholdings and other	(14,827)	(7,475)
Payments for business acquisition liabilities	(4,161)	(7,496)
Deposits and other	4,887	602
Net cash provided by (used in) financing activities	(17,199)	39,498
Effect of exchange rate changes on cash and cash equivalents	(20,490)	979
Net decrease in cash and cash equivalents	(238,755)	(38,078)
Cash and cash equivalents, beginning of period	494,485	294,953
Cash and cash equivalents, end of period	$ 255,730	$ 256,875
Supplemental cash flow disclosures		
Cash paid for interest	$ 4,279	$ 4,854
Cash paid for income taxes, net of refunds	$ 42,440	$ 18,742
Non-cash investing and financing activities:		
Issuance of stock units under incentive compensation plans	$ 1,664	$ 2,603
Business acquisition liabilities not yet paid	$ 5,370	$ 1,093
Non-cash additions to property and equipment	$ 3,695	$ 4,150

See accompanying notes to condensed consolidated financial statements

1. Basis of Presentation and Significant Accounting Policies

The unaudited condensed consolidated financial statements of FTI Consulting, Inc., including its consolidated subsidiaries (collectively, the “Company,” “we,” “our” or “FTI Consulting”), presented herein, have been prepared in accordance with generally accepted accounting principles in the United States (“GAAP”) and under the rules and regulations of the Securities and Exchange Commission (“SEC”) for interim financial information. Some of the information and footnote disclosures normally included in annual financial statements have been condensed or omitted pursuant to those rules and regulations. Certain prior period amounts have been reclassified to conform to the current period presentation. In management’s opinion, the interim financial statements reflect all adjustments that are necessary for a fair presentation of the results for the interim periods presented. All adjustments made were normal recurring accruals. Results of operations for the interim periods presented herein are not necessarily indicative of results of operations for a full year. These financial statements should be read in conjunction with the consolidated financial statements and the notes thereto contained in our Annual Report on Form 10-K for the year ended December 31, 2021 filed with the SEC.

2. New Accounting Standards

Recently Adopted Accounting Standards

In August 2020, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2020-06 ("ASU 2020-06"), *Debt—Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity’s Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity’s Own Equity*, which simplifies accounting for convertible instruments by removing major separation models required under current GAAP. The ASU also removes certain settlement conditions that are required for equity contracts to qualify for the derivative scope exception and simplifies the diluted earnings per share calculation in certain events. On January 1, 2022, we adopted ASU 2020-06 using the modified retrospective method and recorded a cumulative-effect adjustment of approximately $22.1 million to the beginning balance of retained earnings at the date of adoption and a $16.4 million net increase to "Long-term debt, net" on the Condensed Consolidated Balance Sheets. As permitted by the guidance, prior comparative periods were not adjusted under this method.

Pursuant to ASU 2020-06, we are no longer permitted to separately account for the liability and equity components of convertible debt instruments. As such, the carrying amount of our 2.0% convertible senior notes due 2023 ("2023 Convertible Notes") is recognized as a liability as of June 30, 2022 on the Condensed Consolidated Balance Sheets. The ASU 2020-06 adoption also resulted in the derecognition of the embedded conversion option, net of tax effects, of approximately $34.1 million, which is included in “Additional paid-in capital,” as well as the derecognition of the related deferred tax liabilities of approximately $4.3 million on the Condensed Consolidated Balance Sheets.

The net effect of the adoption in the current and future periods as compared to prior periods is to reduce non-cash interest expense, or increase net income, as there is no longer a discount from the separation of the conversion feature within equity. The discount from recognition of debt issuance costs will be amortized over the effective life of the 2023 Convertible Notes using the effective interest method.

ASU 2020-06 also no longer allows the use of the treasury stock method for convertible instruments for purposes of calculating diluted earnings per share and instead requires application of the if-converted method. Under that method, diluted earnings per share will generally be calculated assuming that all of the convertible debt instruments were converted solely into shares of common stock at the beginning of the reporting period unless the result would be anti-dilutive. Effective January 1, 2022, pursuant to the terms of the indenture, dated as of August 20, 2018, as amended by the first supplemental indenture, dated as of January 1, 2022 (the "First Supplemental Indenture"), between us and U.S. Bank National Association, as trustee (as so amended, the "Indenture"), the principal amount of the 2023 Convertible Notes being converted is required to be paid in cash and only the premium due upon conversion, if any, is permitted to be settled in shares, cash or a combination of shares and cash. Consequently, the if-converted method produces a similar result as the treasury stock method, which was used prior to the adoption of ASU 2020-06 for the 2023 Convertible Notes.

Accounting Standards Not Yet Adopted

In November 2021, the FASB issued ASU 2021-10, *Government Assistance (Topic 832), Disclosures by Business Entities about Government Assistance*, which requires entities to provide disclosures on significant government assistance transactions for annual reporting periods. The disclosures include information around the nature of the assistance, the related accounting policies used to account for government assistance, the effect of government assistance on the entity's financial statements, and any significant terms and conditions of the agreements, including commitments and contingencies. The new standard is effective for annual periods beginning after December 15, 2021 and impacts only annual financial statement footnote disclosures. The Company is in the process of evaluating the impact of this new guidance on its consolidated financial statements.

3. Earnings per Common Share

Basic earnings per common share is calculated by dividing net income by the weighted average number of common shares outstanding during the period. Diluted earnings per common share adjusts basic earnings per common share for the effects of potentially dilutive common shares. Potentially dilutive common shares include the dilutive effects of shares issuable under our equity compensation plans, including stock options and share-based awards (restricted share awards, restricted stock units and performance stock units), each using the treasury stock method.

For the three and six months ended June 30, 2022, we used the if-converted method for calculating the potential dilutive effect of the conversion feature of the principal amount of the 2023 Convertible Notes on earnings per common share, as required by the adoption of ASU 2020-06. Prior to the adoption of ASU 2020-06, we used the treasury stock method for calculating the potential dilutive effect of the conversion feature of the principal amount of the 2023 Convertible Notes on earnings per common share because we had the ability and intent to settle the principal amount of the outstanding 2023 Convertible Notes in cash. The conversion feature had a dilutive impact on earnings per common share for the three and six months ended June 30, 2022 and 2021, as the average market price per share of our common stock for the periods exceeded the conversion price of $101.38 per share. See Note 8, "Debt" for additional information about the 2023 Convertible Notes.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Numerator — basic and diluted				
Net income	$ 51,428	$ 62,782	$ 110,749	$ 127,278
Denominator				
Weighted average number of common shares outstanding — basic	33,790	33,458	33,705	33,470
Effect of dilutive share-based awards	586	668	639	714
Effect of dilutive stock options	331	376	334	373
Effect of dilutive convertible notes	1,202	872	1,100	661
Weighted average number of common shares outstanding — diluted	35,909	35,374	35,778	35,218
Earnings per common share — basic	$ 1.52	$ 1.88	$ 3.29	$ 3.80
Earnings per common share — diluted	$ 1.43	$ 1.77	$ 3.10	$ 3.61
Antidilutive stock options and share-based awards	23	2	15	5

4. Revenues

We generate the majority of our revenues by providing consulting services to our clients. Most of our consulting service contracts are based on one of the following types of contract arrangements:

- *Time and expense arrangements* require the client to pay us based on the number of hours worked at contractually agreed-upon rates. We recognize revenues for these contract arrangements based on hours incurred and contracted rates utilizing a right-to-invoice practical expedient because we have a right to consideration for services completed to date. When a time and expense arrangement has a not-to-exceed or "cap" amount and we expect to perform work in excess of the cap, we recognize revenues up to the cap amount specified by the client, based on the efforts or hours incurred as a percentage of total efforts or hours expected to be incurred (i.e., proportional performance method).

- *Fixed-fee arrangements* require the client to pay a fixed fee in exchange for a predetermined set of professional services. We recognize revenues earned to date by applying the proportional performance method. Generally, these arrangements have one performance obligation.

- *Performance-based or contingent arrangements* represent forms of variable consideration. In these arrangements, our fees are based on the attainment of contractually defined objectives with our client, such as completing a business transaction or assisting the client in achieving a specific business objective. We recognize revenues earned to date in an amount that is probable not to reverse and by applying the proportional performance method when the criteria for over time revenue recognition are met.

Certain fees in our time and materials arrangements may be subject to approval by a third party, such as a bankruptcy court or other regulatory agency. In such cases, we record revenues based on the amount we estimate we will be entitled to in exchange for our services and only to the extent a significant reversal of revenues is not likely to occur when the uncertainty associated with the estimate is subsequently resolved. Potential fee reductions imposed by bankruptcy courts and other regulatory agencies or negotiated with specific clients are estimated on a specific identification basis. Our estimates may vary depending on the nature of the engagement, client economics, historical experience and other appropriate factors. When there are changes in our estimates of potential fee reductions, we record such changes to revenues with a corresponding offset to our billed and unbilled accounts receivable.

Revenues recognized during the current period may include revenues from performance obligations satisfied or partially satisfied in previous periods. This primarily occurs when the estimated transaction price has changed based on our current probability assessment over whether the agreed-upon outcome for our performance-based and contingent arrangements will be achieved. The aggregate amount of revenues recognized related to a change in the transaction price in the current period, which related to performance obligations satisfied or partially satisfied in a prior period, was $11.6 million and $13.1 million for the three and six months ended June 30, 2022, respectively, and $17.9 million and $16.7 million for the three and six months ended June 30, 2021, respectively.

Unfulfilled performance obligations primarily consist of fees not yet recognized on certain fixed-fee arrangements and performance-based and contingent arrangements. As of June 30, 2022 and December 31, 2021, the aggregate amount of the remaining contract transaction price allocated to unfulfilled performance obligations was $3.4 million and $3.7 million, respectively. We expect to recognize the majority of the related revenues over the next 24 months. We elected to utilize the optional exemption to exclude from this disclosure fixed-fee and performance-based and contingent arrangements with an original expected duration of one year or less and to exclude our time and expense arrangements for which revenues are recognized using the right-to-invoice practical expedient.

Contract assets are defined as assets for which we have recorded revenues but are not yet entitled to receive our fees because certain events, such as completion of the measurement period or client approval, must occur. The contract asset balance was $1.5 million as of June 30, 2022 and $3.8 million as of December 31, 2021.

Contract liabilities are defined as liabilities incurred when we have received consideration but have not yet performed the agreed-upon services. This may occur when clients pay fees before work begins. The contract liability balance was immaterial as of June 30, 2022 and December 31, 2021.

5. Accounts Receivable and Allowance for Expected Credit Losses

The following table summarizes the components of "Accounts receivable, net" as presented on the Condensed Consolidated Balance Sheets:

	June 30, 2022	December 31, 2021
Accounts receivable:		
Billed receivables	$ 616,761	$ 542,056
Unbilled receivables	328,836	248,681
Allowance for expected credit losses	(40,049)	(36,617)
Accounts receivable, net	$ 905,548	$ 754,120

We maintain an allowance for expected credit losses, which represents the estimated aggregate amount of credit risk arising from the inability or unwillingness of specific clients to pay our fees or disputes that may affect our ability to fully collect our billed accounts receivable. We record our estimate of lifetime expected credit losses concurrently with the initial recognition of the underlying receivable. Accounts receivable, net of the allowance for expected credit losses, represents the amount we expect to collect. At each reporting date, we adjust the allowance for expected credit losses to reflect our current estimate.

The following table summarizes the total provision for expected credit losses and write-offs:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Provision for expected credit losses [1]	$ 3,894	$ 3,404	$ 8,752	$ 8,236
Write-offs	$ 3,249	$ 2,802	$ 6,040	$ 9,718

(1) Adjustments to the allowance for expected credit losses are recorded to selling, general & administrative ("SG&A") expenses on the Condensed Consolidated Statements of Comprehensive Income.

We estimate the current-period provision for expected credit losses on a specific identification basis. Our judgments regarding a specific client's credit risk considers factors such as the counterparty's creditworthiness, knowledge of the specific client's circumstances and historical collection experience for similar clients. Other factors include, but are not limited to, current economic conditions and forward-looking estimates. Our actual experience may vary from our estimates. If the financial condition of our clients were to deteriorate, resulting in their inability or unwillingness to pay our fees, we may need to record additional provisions for expected credit losses in future periods. The risk of credit losses may be mitigated to the extent that we received a retainer from some of our clients prior to performing services. Our provision for expected credit losses includes recoveries, direct write-offs and charges to other accounts. Billed accounts receivables are written off when the potential for recovery is considered remote.

6. Goodwill and Intangible Assets

Goodwill

The table below summarizes the changes in the carrying amount of goodwill by reportable segment:

	Corporate Finance & Restructuring [1]	Forensic and Litigation Consulting [1]	Economic Consulting [1]	Technology [1]	Strategic Communications [2]	Total
Balance at December 31, 2021	$ 501,046	$ 237,929	$ 268,858	$ 96,811	$ 128,147	$ 1,232,791
Acquisitions [3]	11,095	—	—	—	—	11,095
Foreign currency translation adjustment and other	(5,375)	(3,001)	(723)	(148)	(6,802)	(16,049)
Balance at June 30, 2022	$ 506,766	$ 234,928	$ 268,135	$ 96,663	$ 121,345	$ 1,227,837

(1) There were no accumulated impairment losses for the Corporate Finance & Restructuring ("Corporate Finance"), Forensic and Litigation Consulting ("FLC"), Economic Consulting or Technology segments as of June 30, 2022 and December 31, 2021.

(2) Amounts for our Strategic Communications segment include gross carrying values of $315.5 million and $322.3 million as of June 30, 2022 and December 31, 2021, respectively, and accumulated impairment losses of $194.1 million as of June 30, 2022 and December 31, 2021.

(3) During the six months ended June 30, 2022, we acquired a business that was assigned to the Corporate Finance segment. We recorded $11.1 million in goodwill based on a preliminary purchase price allocation as a result of the acquisition. We have included the results of the acquired business's operations in the Corporate Finance segment since its acquisition date.

Intangible Assets

Intangible assets were as follows:

	June 30, 2022			December 31, 2021		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Amortizing intangible assets						
Customer relationships [(1)]	$ 82,099	$ 64,093	$ 18,006	$ 83,101	$ 63,124	$ 19,9[illegible]
Trademarks [(1)]	10,482	5,563	4,919	10,965	4,732	6,2[illegible]
Acquired software and other [(1)]	980	392	588	3,114	2,434	6[illegible]
	93,561	70,048	23,513	97,180	70,290	26,8[illegible]
Non-amortizing intangible assets						
Trademarks	5,100	—	5,100	5,100	—	5,1[illegible]
Total	$ 98,661	$ 70,048	$ 28,613	$ 102,280	$ 70,290	$ 31,9[illegible]

(1) During the six months ended June 30, 2022, we acquired a business, and its related intangible assets were assigned to the Corporate Finance segment.

Intangible assets with finite lives are amortized over their estimated useful lives. We recorded amortization expense of $2.7 million and $5.0 million for the three and six months ended June 30, 2022, respectively, and $2.9 million and $5.7 million for the three and six months ended June 30, 2021, respectively.

We estimate our future amortization expense for our intangible assets with finite lives to be as follows:

Year	As of June 30, 2022 [(1)]
2022 (remaining)	$ 4,728
2023	6,127
2024	3,859
2025	3,164
2026	2,028
Thereafter	3,607
	$ 23,513

(1) Actual amortization expense to be reported in future periods could differ from these estimates as a result of new intangible asset acquisitions, impairments, changes in useful lives, or other relevant factors or changes.

7. Financial Instruments

The table below presents the carrying amounts and estimated fair values of our financial instruments by hierarchy level as of June 30, 2022 and December 31, 2021:

	June 30, 2022			
		Hierarchy Level (Fair Value)		
	Carrying Amount	Level 1	Level 2	Level 3
Liabilities				
Acquisition-related contingent consideration (1)(2)	$ 13,363	$ —	$ —	$ 13,363
2023 Convertible Notes (3)	314,337	—	568,551	—
Total	$ 327,700	$ —	$ 568,551	$ 13,363

	December 31, 2021			
		Hierarchy Level (Fair Value)		
	Carrying Amount	Level 1	Level 2	Level 3
Liabilities				
Acquisition-related contingent consideration (1)	$ 15,110	$ —	$ —	$ 15,110
2023 Convertible Notes (3)	297,158	—	466,619	—
Total	$ 312,268	$ —	$ 466,619	$ 15,110

(1) The short-term portion is included in "Accounts payable, accrued expenses and other" and the long-term portion is included in "Other liabilities" on the Condensed Consolidated Balance Sheets.

(2) During the six months ended June 30, 2022, we acquired a business that was assigned to our Corporate Finance segment and recorded an acquisition-related contingent consideration liability.

(3) The carrying value as of June 30, 2022 includes unamortized deferred debt issuance costs. The carrying value as of December 31, 2021 includes unamortized deferred debt issuance costs and debt discount.

The fair values of financial instruments not included in the tables above are estimated to be equal to their carrying values as of June 30, 2022 and December 31, 2021.

We estimate the fair value of our 2023 Convertible Notes based on their last actively traded prices. The fair value of our 2023 Convertible Notes is classified within Level 2 of the fair value hierarchy because it is traded in less active markets.

We estimate the fair value of acquisition-related contingent consideration using either a probability-weighted discounted cash flow model or a Monte Carlo pricing model. These fair value estimates represent Level 3 measurements as they are based on significant inputs not observed in the market and reflect our own assumptions. Significant increases (or decreases) in these unobservable inputs in isolation would result in significantly lower (or higher) fair values. We reassess the fair value of our acquisition-related contingent consideration at each reporting period based on additional information as it becomes available.

The change in our liability for acquisition-related contingent consideration for our Level 3 financial instruments is as follows:

	Contingent Consideration
Balance at December 31, 2021	$ 15,110
Additions	5,370
Accretion expense (1)	(979)
Payments	(4,430)
Foreign currency translation adjustment (2)	(115)
Balance at March 31, 2022	$ 14,956
Accretion expense (1)	1,112
Payments	(2,240)
Foreign currency translation adjustment (2)	(465)
Balance at June 30, 2022	$ 13,363

	Contingent Consideration
Balance at December 31, 2020	$ 20,118
Accretion expense (1)	1,289
Payments	(1,000)
Foreign currency translation adjustment (2)	(612)
Balance at March 31, 2021	$ 19,795
Additions	1,093
Accretion expense (1)	676
Payments	(4,122)
Foreign currency translation adjustment (2)	264
Remeasurement gain (3)	(3,095)
Balance at June 30, 2021	$ 14,611

(1) Accretion expense is included in SG&A expenses on the Condensed Consolidated Statements of Comprehensive Income.

(2) Foreign currency translation adjustments are included in "Other comprehensive income (loss), net of tax" on the Condensed Consolidated Statements of Comprehensive Income.

(3) Remeasurement gain or loss resulting from a change in the fair value of an acquisition's contingent consideration liability is recorded in SG&A expenses on the Condensed Consolidated Statements of Comprehensive Income.

8. Debt

The table below presents the components of the Company's debt:

	June 30, 2022	December 31, 2021
2023 Convertible Notes	$ 316,222	$ 316,245
Total debt	316,222	316,245
Less: deferred debt discount [(1)]	—	(16,724)
Less: deferred debt issuance costs	(1,885)	(2,363)
Long-term debt, net [(1)(2)]	$ 314,337	$ 297,158
Additional paid-in capital	$ —	$ 35,304
Discount attribution to equity	—	(1,175)
Equity component, net [(1)]	$ —	$ 34,129

(1) Pursuant to the adoption of ASU 2020-06, we derecognized the conversion option of $34.1 million, net of tax, previously attributable to the equity component of the 2023 Convertible Notes. Similarly, the related debt discount is no longer amortized into income as interest expense over the life of the instrument; therefore, we recorded a $16.4 million increase to "Long-term debt, net" on the Condensed Consolidated Balance Sheet as of June 30, 2022.

(2) There were no current portions of long-term debt as of June 30, 2022 and December 31, 2021.

2023 Convertible Notes

On August 20, 2018, we issued the 2023 Convertible Notes in an aggregate principal amount of $316.3 million. The 2023 Convertible Notes bear interest at a fixed rate of 2.0% per year, payable semiannually in arrears on February 15 and August 15 of each year. The 2023 Convertible Notes will mature on August 15, 2023, unless earlier converted or repurchased. As of December 31, 2021, upon conversion, the 2023 Convertible Notes could be settled, at our election, in cash, shares of our common stock or a combination of cash and shares of our common stock. Effective January 1, 2022, pursuant to the terms of the Indenture, the principal amount of the 2023 Convertible Notes being converted is required to be paid in cash and only the premium due upon conversion, if any, is permitted to be settled at our election in shares, cash or a combination of shares and cash. The 2023 Convertible Notes are senior unsecured obligations of the Company.

The 2023 Convertible Notes are convertible at maturity at a conversion rate of 9.8643 shares of our common stock per $1,000 principal amount of the 2023 Convertible Notes (equivalent to a conversion price of approximately $101.38 per share of common stock). Holders may convert their 2023 Convertible Notes at any time prior to the close of business on the business day immediately preceding May 15, 2023 only under the following circumstances: (1) during any calendar quarter commencing after the calendar quarter ending on September 30, 2018 (and only during such calendar quarter), if the last reported sale price of our common stock for at least 20 trading days (whether or not consecutive) during a period of 30 consecutive trading days ending on, and including, the last trading day of the immediately preceding calendar quarter is greater than or equal to 130% of the conversion price on each applicable trading day; (2) during the five business day period after any five consecutive trading day period (the "Measurement Period") in which the trading price (as defined in the Indenture) per $1,000 principal amount of the 2023 Convertible Notes for each trading day of the Measurement Period was less than 98% of the product of the last reported sale price of our common stock and the conversion rate in effect on each such trading day; or (3) upon the occurrence of specified corporate events. On or after May 15, 2023, until the close of business on the business day immediately preceding the maturity date of August 15, 2023, holders may convert their 2023 Convertible Notes at any time, regardless of the foregoing circumstances.

The 2023 Convertible Notes were convertible in each of the quarters ended September 30, 2021, December 31, 2021, March 31, 2022 and June 30, 2022. The number of shares issued upon conversion of the 2023 Convertible Notes in each period was immaterial. The circumstances required to allow the holders to convert their 2023 Convertible Notes prior to maturity were met as of June 30, 2022; therefore, holders may convert their notes at any time beginning on July 1, 2022 and ending on September 30, 2022. Based on the Company's stock price on June 30, 2022, the if-converted value of the 2023 Convertible Notes exceeded the principal amount by $247.9 million.

We may not redeem the 2023 Convertible Notes prior to the maturity date.

If we undergo a fundamental change (as defined in the Indenture), subject to certain conditions, holders may require us to repurchase for cash all or part of their 2023 Convertible Notes in principal amounts of $1,000 or a multiple thereof. The fundamental change repurchase price will be equal to 100% of the principal amount of the 2023 Convertible Notes to be repurchased, plus accrued and unpaid interest, if any, to, but excluding, the fundamental change repurchase date. In addition, in certain circumstances, we may be required to increase the conversion rate for any 2023 Convertible Notes converted in connection with a make-whole fundamental change (as defined in the Indenture).

Prior to the adoption of ASU 2020-06, the Company separated the 2023 Convertible Notes into liability and equity components. The debt discount and debt issuance costs attributable to the liability component were amortized to interest expense over the term of the 2023 Convertible Notes using the effective interest rate method. The Company adopted ASU 2020-06 on January 1, 2022 using the modified retrospective method, which resulted in accounting for the 2023 Convertible Notes as a single liability and the debt discount is no longer amortized into income as interest expense. See Note 2, "New Accounting Standards" for additional information about the adoption of ASU 2020-06.

Contractual interest expense for the 2023 Convertible Notes was $1.6 million and $3.2 million for the three and six months ended June 30, 2022 and 2021, respectively. Amortization of the debt discount on the 2023 Convertible Notes prior to the adoption of ASU 2020-06 was $2.4 million and $4.7 million for the three and six months ended June 30 2021, respectively.

Credit Facility

On June 26, 2015, we entered into a credit agreement, which provides for a $550.0 million senior secured bank revolving credit facility ("Original Credit Facility") maturing on June 26, 2020. In November 2018, we amended and restated the credit agreement to the Original Credit Facility (the "Amended and Restated Credit Facility"), to, among other things, extend the maturity to November 30, 2023 and incurred an additional $1.7 million of debt issuance costs. On February 4, 2022, we entered into the first amendment to the Amended and Restated Credit Facility (the "First Amendment to the Amended and Restated Credit Facility," and together with the Amended and Restated Credit Facility, the "Credit Facility"). At the Company's option, borrowings under the Credit Facility in United States dollars ("USD"), euro ("EUR") and British pound ("GBP") will bear interest at either one- or three-month London Interbank Offered Rate ("LIBOR") or, in the case of USD borrowings, an alternative base rate, in each case plus the applicable margin. Due to the cessation by the ICE Benchmark Administration Limited of the publication on a representative basis of EUR LIBOR and GBP LIBOR as of December 31, 2021, EUR LIBOR is no longer available under our Credit Agreement and one-, three- and six-month GBP LIBOR is available under a "synthetic" methodology until December 31, 2022. The Credit Agreement permits the Company and Bank of America, N.A., as administrative agent thereunder, to agree to a new benchmark rate to replace EUR LIBOR and GBP LIBOR, subject to the negative consent of the Required Lenders (as defined therein). Prior to the incurrence of any borrowings under the Credit Facility in EUR or, after December 31, 2022, GBP, we will need to agree to a replacement benchmark rate for each applicable currency in accordance with the terms of the Credit Agreement. The alternative base rate means a fluctuating rate per annum equal to the highest of (1) the rate of interest in effect for such day as the prime rate announced by Bank of America, (2) the federal funds rate plus the sum of 50 basis points, and (3) the one-month USD LIBOR plus 100 basis points. Borrowings under the Credit Facility in Canadian dollars bear interest at an annual rate equal to the Canadian Dealer Offered Rate plus an applicable margin. Borrowings under the Credit Facility in Australian dollars bear interest at an annual rate equal to the Bank Bill Swap Reference Bid Rate plus an applicable margin. The applicable margin will fluctuate between 1.25% per annum and 2.00% per annum, in the case of LIBOR borrowings, or between 0.25% per annum and 1.00% per annum, in the case of base rate borrowings, in each case, based upon the Company's Consolidated Total Net Leverage Ratio (as defined in the Credit Facility) at such time. The lenders under the Credit Facility have a security interest in substantially all of the assets of the Company and substantially all of its domestic subsidiaries.

Under the Credit Facility, we are required to pay a commitment fee rate that fluctuates between 0.20% and 0.35% per annum and a letter of credit fee rate that fluctuates between 1.25% and 2.00% per annum, in each case, based upon the Company's Consolidated Total Net Leverage Ratio.

There were no borrowings outstanding under the Credit Facility as of June 30, 2022 and December 31, 2021. As of June 30, 2022, $0.4 million of the borrowing limit under the Credit Facility was utilized (and, therefore, unavailable) for letters of credit.

There were $0.6 million and $0.9 million of unamortized debt issuance costs related to the Credit Facility as of June 30, 2022 and December 31, 2021, respectively. These amounts are included in "Other assets" on our Condensed Consolidated Balance Sheets.

Long-Term Debt Maturities

Our maturity analysis for our remaining future undiscounted cash flows for the principal portion of our long-term debt assumes that payments will be made based on the current payment schedule and excludes any additional revolving line of credit borrowings or repayments subsequent to June 30, 2022 and prior to the November 30, 2023 maturity date of our Credit Facility. We estimate future undiscounted cash flows for the principal portion of our long-term debt to be $316.2 million in 2023.

9. Leases

We lease office space and equipment under non-cancelable operating leases. We recognize operating lease expense on a straight-line basis over the lease term, which may include renewal or termination options that are reasonably certain of exercise. Leases with an initial term of 12 months or less are not recorded on the Condensed Consolidated Balance Sheets and are expensed on a straight-line basis. Most leases include one or more options to renew, with renewal terms that can extend the lease term up to seven years. The exercise of lease renewal options is at our sole discretion. Certain of our lease agreements include rental payments that are adjusted periodically for inflation. Our lease agreements do not contain any material residual value guarantees or material restrictive covenants.

The table below summarizes the carrying amount of our operating lease assets and liabilities:

Leases	Classification	June 30, 2022	December 31, 2021
Assets			
Operating lease assets	Operating lease assets	$ 198,893	$ 215,995
Total lease assets		$ 198,893	$ 215,995
Liabilities			
Current			
Operating lease liabilities	Accounts payable, accrued expenses and other	$ 33,253	$ 30,828
Noncurrent			
Operating lease liabilities	Noncurrent operating lease liabilities	218,001	236,026
Total lease liabilities		$ 251,254	$ 266,854

The table below summarizes total lease costs:

	Three Months Ended June 30,		Six Months Ended June 30,	
Lease Cost	2022	2021	2022	2021
Operating lease costs	$ 12,092	$ 14,407	$ 24,453	$ 26,489
Short-term lease costs	727	473	1,132	962
Variable lease costs	2,749	2,748	5,977	6,211
Sublease income	(196)	(1,048)	(386)	(2,095)
Total lease cost, net	$ 15,372	$ 16,580	$ 31,176	$ 31,567

We sublease certain of our leased office spaces to third parties. Our sublease portfolio consists of leases of office space that we have vacated before the lease term expiration. Operating lease expense on vacated office space is reduced by sublease rental income, which is recorded to SG&A expenses on the Condensed Consolidated Statements of Comprehensive Income. Our sublease arrangements do not contain renewal options or restrictive covenants. We estimate future sublease rental income to be $0.5 million in the remainder of 2022, $0.9 million in 2023, $0.8 million in 2024 and $0.3 million in 2025. There is no future sublease rental income estimated for the years beyond 2025.

The maturity analysis below summarizes the remaining future undiscounted cash flows for our operating leases and includes a reconciliation to operating lease liabilities reported on the Condensed Consolidated Balance Sheets:

	As of June 30, 2022
2022 (remaining)	$ 25,673
2023	48,243
2024	43,110
2025	35,737
2026	31,185
Thereafter	136,533
Total future lease payments	320,481
Less: imputed interest	(69,227)
Total	$ 251,254

The table below includes cash paid for our operating lease liabilities, other non-cash information, our weighted average remaining lease term and weighted average discount rate:

	Six Months Ended June 30,	
	2022	2021
Cash paid for amounts included in the measurement of operating lease liabilities	$ 24,831	$ 31,050
Operating lease assets obtained in exchange for lease liabilities	$ 5,756	$ 85,221
Weighted average remaining lease term (years)		
Operating leases	8.9	8.8
Weighted average discount rate		
Operating leases	5.4 %	5.5 %

10. Commitments and Contingencies

We are subject to legal actions arising in the ordinary course of business. In management's opinion, we believe we have adequate legal defenses and/or insurance coverage with respect to the eventuality of such actions. We are not aware of any asserted or unasserted legal proceedings or claims that we believe would have a material adverse effect on our financial condition or results of our operations.

11. Share-Based Compensation

During the six months ended June 30, 2022, we granted 159,344 restricted share awards, 27,761 restricted stock units and 102,543 performance stock units under the FTI Consulting, Inc. 2017 Omnibus Incentive Compensation Plan, our employee equity compensation plan. Our performance stock units are presented at the maximum potential payout percentage of 150% of target shares granted. These awards are recorded as equity on the Condensed Consolidated Balance Sheets. During the six months ended June 30, 2022, 4,564 shares of restricted stock and no stock options were forfeited prior to the completion of the applicable vesting requirements. Additionally, 12,198 performance stock units were forfeited during the six months ended June 30, 2022 as the award targets were not achieved.

Total share-based compensation expense, net of forfeitures is detailed in the following table:

	Three Months Ended June 30,		Six Months Ended June 30,	
Income Statement Classification	2022	2021	2022	2021
Direct cost of revenues	$ 3,977	$ 2,666	$ 7,946	$ 7,731
Selling, general and administrative expenses	4,146	2,409	7,223	6,932
Total share-based compensation expense	$ 8,123	$ 5,075	$ 15,169	$ 14,663

12. Stockholders' Equity

On June 2, 2016, our Board of Directors authorized a stock repurchase program of up to $100.0 million (the "Repurchase Program"). On each of May 18, 2017, December 1, 2017, February 21, 2019 and February 20, 2020, our Board of Directors authorized an additional $100.0 million. On each of July 28, 2020 and December 3, 2020, our Board of Directors authorized an additional $200.0 million, increasing the Repurchase Program to an aggregate authorization of $900.0 million. No time limit has been established for the completion of the Repurchase Program, and the Repurchase Program may be suspended, discontinued or replaced by the Board of Directors at any time without prior notice. As of June 30, 2022, we had $164.0 million available under the Repurchase Program to repurchase additional shares.

The following table details our stock repurchases under the Repurchase Program:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Shares of common stock repurchased and retired	—	—	22	422
Average price paid per share	$ —	$ —	$ 143.36	$ 109.37
Total cost	$ —	$ —	$ 3,098	$ 46,124

As we repurchase our common shares, we reduce stated capital on our Condensed Consolidated Balance Sheets for the $0.01 of par value of the shares repurchased, with the excess purchase price over par value recorded as a reduction to additional paid-in capital. If additional paid-in capital is reduced to zero, we record the remainder of the excess purchase price over par value as a reduction of retained earnings.

Common stock outstanding was 34.5 million shares and 34.3 million shares as of June 30, 2022 and December 31, 2021, respectively. Common stock outstanding includes unvested restricted stock awards, which are considered issued and outstanding under the terms of the restricted stock award agreements.

13. Segment Reporting

We manage our business in five reportable segments: Corporate Finance, FLC, Economic Consulting, Technology and Strategic Communications.

Our Corporate Finance segment focuses on the strategic, operational, financial, transactional and capital needs of our clients around the world. Our clients include companies, boards of directors, investors, private equity sponsors, lenders, and other financing sources and creditor groups, as well as other parties-in-interest. We deliver a wide range of services centered around three core offerings: business transformation, transactions and turnaround & restructuring.

Our FLC segment provides law firms, companies, government entities, private equity firms and other interested parties with a multidisciplinary and independent range of services in risk and investigations and disputes, including a focus on highly regulated industries such as our construction & environmental solutions and health solutions services. These services are supported by our data & analytics solutions, which help our clients analyze large, disparate sets of data related to their business operations and support our clients during regulatory inquiries and commercial disputes. We deliver a wide range of services centered around five core offerings: construction & environmental solutions, data & analytics, disputes, health solutions and risk and investigations.

Our Economic Consulting segment, including subsidiary Compass Lexecon LLC, provides law firms, companies, government entities and other interested parties with analyses of complex economic issues for use in international arbitration, legal and regulatory proceedings, and strategic decision making and public policy debates around the world. We deliver a wide range of services centered around three core offerings: antitrust & competition economics, financial economics and international arbitration.

Our Technology segment provides companies, law firms, private equity firms and government entities with a comprehensive global portfolio of consulting and services to address legal and regulatory risk, including e-discovery, information governance, privacy and security and corporate legal operations solutions. We deliver a full spectrum of services centered around three core offerings: corporate legal operations, e-discovery services and expertise, and information governance, privacy & security services.

Our Strategic Communications segment develops and executes communications strategies to help management teams, boards of directors, law firms, governments and regulators manage change and mitigate risk surrounding transformational and disruptive events, including transactions, investigations, disputes, crises, regulation and legislation. We deliver a wide range of services centered around three core offerings: corporate reputation, financial communications and public affairs.

We evaluate the performance of our operating segments based on Adjusted Segment EBITDA, a GAAP financial measure. 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 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 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.

The table below presents revenues and Adjusted Segment EBITDA for our reportable segments:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Revenues				
Corporate Finance	$ 277,067	$ 230,971	$ 530,396	$ 457,174
FLC	164,248	150,746	318,144	301,567
Economic Consulting	164,041	183,306	330,018	352,579
Technology	77,782	78,646	158,266	158,105
Strategic Communications	71,854	67,817	141,788	128,338
Total revenues	$ 754,992	$ 711,486	$ 1,478,612	$ 1,397,763
Adjusted Segment EBITDA				
Corporate Finance	$ 54,950	$ 40,174	$ 108,490	$ 77,613
FLC	16,707	18,002	33,964	47,434
Economic Consulting	21,646	30,699	42,841	57,278
Technology	8,365	18,518	21,728	40,116
Strategic Communications	11,472	13,501	27,185	23,899
Total Adjusted Segment EBITDA	$ 113,140	$ 120,894	$ 234,208	$ 246,340

The table below reconciles net income to Total Adjusted Segment EBITDA:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Net income	$ 51,428	$ 62,782	$ 110,749	$ 127,278
Add back:				
Income tax provision	13,353	14,992	30,320	35,239
Interest income and other	(2,994)	912	(2,647)	(122)
Interest expense	2,448	5,294	5,090	10,091
Unallocated corporate expenses	37,716	29,357	69,055	56,067
Segment depreciation expense	8,452	7,834	16,636	15,264
Amortization of intangible assets	2,737	2,853	5,005	5,653
Remeasurement of acquisition-related contingent consideration	—	(3,130)	—	(3,130)
Total Adjusted Segment EBITDA	$ 113,140	$ 120,894	$ 234,208	$ 246,340

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following is a discussion and analysis of our consolidated financial condition, results of operations, and liquidity and capital resources for the three and six months ended June 30, 2022 and 2021 and significant factors that could affect our prospective financial condition and results of operations. This discussion should be read in conjunction with the accompanying unaudited condensed consolidated financial statements and related notes and with our Annual Report on Form 10-K for the year ended December 31, 2021 filed with the United States ("U.S.") Securities and Exchange Commission ("SEC"). In addition to historical information, the following discussion includes forward-looking statements based on current expectations that involve risks, uncertainties and assumptions, such as our plans, objectives, expectations and intentions. Although we believe that the expectations reflected in the forward-looking statements contained herein are reasonable, these expectations or any of the forward-looking statements could prove to be incorrect, and actual results could differ materially from those projected or assumed in the forward-looking statements.

BUSINESS OVERVIEW

FTI Consulting, Inc. ("FTI Consulting," "we," "us" or the "Company") is a global business advisory firm dedicated to helping organizations manage change, mitigate risk and resolve disputes: financial, legal, operational, political & regulatory, reputational and transactional. Individually, each of our segments and practices is staffed with experts recognized for the depth of their knowledge and a track record of making an impact. Collectively, FTI Consulting offers a comprehensive suite of services designed to assist clients across the business cycle, from proactive risk management to rapid response to unexpected events and dynamic environments.

We report financial results for the following five reportable segments:

Our **Corporate Finance & Restructuring ("Corporate Finance")** segment focuses on the strategic, operational, financial, transactional and capital needs of our clients around the world. Our clients include companies, boards of directors, investors, private equity sponsors, lenders, and other financing sources and creditor groups, as well as other parties-in-interest. We deliver a wide range of services centered around three core offerings: business transformation, transactions and turnaround & restructuring.

Our **Forensic and Litigation Consulting ("FLC")** segment provides law firms, companies, government entities, private equity firms and other interested parties with a multidisciplinary and independent range of services in risk and investigations and disputes, including a focus on highly regulated industries such as our construction & environmental solutions and health solutions services. These services are supported by our data & analytics solutions, which help our clients analyze large, disparate sets of data related to their business operations and support our clients during regulatory inquiries and commercial disputes. We deliver a wide range of services centered around five core offerings: construction & environmental solutions, data & analytics, disputes, health solutions and risk and investigations.

Our **Economic Consulting** segment, including subsidiary Compass Lexecon LLC, provides law firms, companies, government entities and other interested parties with analyses of complex economic issues for use in international arbitration, legal and regulatory proceedings, and strategic decision making and public policy debates around the world. We deliver a wide range of services centered around three core offerings: antitrust & competition economics, financial economics and international arbitration.

Our **Technology** segment provides companies, law firms, private equity firms and government entities with a comprehensive global portfolio of consulting and services to address legal and regulatory risk, including e-discovery, information governance, privacy and security and corporate legal operations solutions. We deliver a full spectrum of services centered around three core offerings: corporate legal operations, e-discovery services and expertise, and information governance, privacy & security services.

Our **Strategic Communications** segment develops and executes communications strategies to help management teams, boards of directors, law firms, governments and regulators manage change and mitigate risk surrounding transformational and disruptive events, including transactions, investigations, disputes, crises, regulation and legislation. We deliver a wide range of services centered around three core offerings: corporate reputation, financial communications and public affairs.

We derive substantially all of our revenues from providing professional services to both U.S. and global clients. Most of our services are rendered under time and expense contract arrangements, which require the client to pay us based on the number of hours worked at contractually agreed-upon rates. Under this arrangement, we typically bill our clients for reimbursable expenses, including those relating to travel, out-of-pocket expenses, outside consultants and other outside service costs. Certain contracts are rendered under fixed-fee arrangements, which require the client to pay a fixed fee in exchange for a predetermined set of professional services. Fixed-fee arrangements may require certain clients to pay us a recurring retainer. Our contract arrangements may also contain success fees or performance-based arrangements in which our fees are based on the attainment of contractually defined objectives with our client. This type of success fee may supplement a time and expense or fixed-fee arrangement. Success fee revenues may cause variations in our revenues and operating results due to the timing of when achieving the performance-based criteria becomes probable. Seasonal factors, such as the timing of our employees' and clients' vacations and holidays, may impact the timing of our revenues across our segments.

In our Technology segment, certain clients are billed based on the amount of data storage used or the volume of information processed. Unit-based revenues are defined as revenues billed on a per item, per page or another unit-based method and include revenues from data processing and hosting. Unit-based revenues include revenues associated with the software products that are made available to customers via a web browser ("on-demand"). On-demand revenues are charged on a unit or monthly basis and include, but are not limited to, processing and review related functions.

Our financial results are primarily driven by:

- the number, size and type of engagements we secure;
- the rate per hour or fixed charges we charge our clients for services;
- the utilization rates of the revenue-generating professionals we employ;
- the timing of revenue recognition related to revenues subject to certain performance-based contingencies;
- the number of revenue-generating professionals;
- the types of assignments we are working on at different times;
- the length of the billing and collection cycles; and
- the geographic locations of our clients or locations in which services are rendered.

We define acquisition growth as revenues of acquired companies in the first 12 months following the effective date of an acquisition. When significant, we identify the impact of acquisition-related revenue growth. Our definition of organic growth is the change in revenues, excluding the impact of all such acquisitions.

When significant, we identify the estimated impact of foreign currency ("FX") driven by our businesses with functional currencies other than the U.S. dollar ("USD"). The estimated impact of FX on the period-to-period performance results is calculated as the difference between the prior period results, multiplied by the average FX exchange rates to USD in the current period and the prior period results, multiplied by the average FX exchange rates to USD in the prior period.

Non-GAAP Financial Measures

In the accompanying analysis of financial information, 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 U.S. ("GAAP"). Certain of these financial measures are considered not in conformity with GAAP ("non-GAAP financial measures") under the SEC rules. Specifically, we have referred to the following non-GAAP financial measures:

- Total Segment Operating Income
- 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 the accompanying analysis of financial information. As described in Note 13, "Segment Reporting" in Part I, Item 1, of this

Quarterly Report on Form 10-Q, we evaluate the performance of our operating segments based on Adjusted Segment EBITDA, and Segment Operating Income is a component of the definition of Adjusted Segment EBITDA.

We define Segment Operating Income as a segment's share of consolidated operating income. We define Total Segment Operating Income, which is a non-GAAP financial measure, as the total of Segment Operating Income for all segments, which excludes unallocated corporate expenses. 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 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 EBITDA Margin, which is a non-GAAP financial measure, as Adjusted EBITDA as a percentage of total revenues.

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 and the gain or loss on sale of a business. 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 (used in) 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 Condensed Consolidated Statements of Comprehensive Income and Condensed Consolidated Statements of Cash Flows. Reconciliations of these non-GAAP financial measures to the most directly comparable GAAP financial measures are included elsewhere in this report.

EXECUTIVE HIGHLIGHTS

	Three Months Ended June 30,				Six Months Ended June 30,			
	2022		2021		2022		2021	
	(dollar amounts in thousands, except per share data)				(dollar amounts in thousands, except per share data)			
Revenues	$	754,992	$	711,486	$	1,478,612	$	1,397,763
Net income	$	51,428	$	62,782	$	110,749	$	127,278
Adjusted EBITDA	$	76,160	$	92,308	$	166,612	$	191,776
Earnings per common share — diluted	$	1.43	$	1.77	$	3.10	$	3.61
Adjusted earnings per common share — diluted	$	1.43	$	1.74	$	3.10	$	3.62
Net cash provided by (used in) operating activities	$	35,047	$	125,558	$	(168,731)	$	(41,026)
Total number of employees		7,048		6,411		7,048		6,411

Second Quarter 2022 Executive Highlights

Revenues

Revenues for the three months ended June 30, 2022 increased $43.5 million, or 6.1%, to $755.0 million, as compared to the three months ended June 30, 2021, which included a 3.1% estimated negative impact from FX. Excluding the estimated impact from FX, revenues increased $65.5 million, or 9.2%, primarily due to higher demand and realized rates in our Corporate Finance segment and higher realized rates in our FLC segment, which was partially offset by lower realization and demand in our Economic Consulting segment.

Net income

Net income for the three months ended June 30, 2022 decreased $11.4 million, or 18.1%, to $51.4 million, as compared to the three months ended June 30, 2021. The decrease in net income was primarily due to higher selling, general and administrative ("SG&A") and direct compensation expenses, which included the impact of a 9.4% increase in billable headcount, which was partially offset by an increase in revenues compared to the same quarter in the prior year.

Adjusted EBITDA

Adjusted EBITDA for the three months ended June 30, 2022 decreased $16.1 million, or 17.5%, to $76.2 million, as compared to the three months ended June 30, 2021. Adjusted EBITDA Margin of 10.1% for the three months ended June 30, 2022 compared with 13.0% for the three months ended June 30, 2021. The decrease in Adjusted EBITDA was due to an increase in SG&A and direct compensation expenses, which included the impact of a 9.4% increase in billable headcount, which was partially offset by an increase in revenues compared to the same quarter in the prior year.

EPS and Adjusted EPS

EPS for the three months ended June 30, 2022 decreased $0.34 to $1.43 compared to $1.77 for the three months ended June 30, 2021. The decrease in EPS was primarily due to lower net income as described above.

Adjusted EPS decreased $0.31 to $1.43 for the three months ended June 30, 2022 compared to $1.74 for the three months ended June 30, 2021. Adjusted EPS for the three months ended June 30, 2021 excluded a $3.1 million remeasurement of acquisition-related contingent consideration, which reduced Adjusted EPS by $0.09, and $2.4 million of non-cash interest expense related to the 2.0% convertible senior notes due 2023 (the "2023 Convertible Notes"), which increased Adjusted EPS by $0.06.

The Company adopted Accounting Standards Update ("ASU") 2020-06 ("ASU 2020-06") and no longer recognizes non-cash interest expense on the 2023 Convertible Notes effective January 1, 2022. As a result, there was no adjustment between EPS and Adjusted EPS for non-cash interest expense on the 2023 Convertible Notes for the three months ended June 30, 2022. See Note 2, "New Accounting Standards" for additional information about the adoption of ASU 2020-06.

Liquidity and Capital Allocation

Net cash provided by operating activities for the three months ended June 30, 2022 decreased $90.5 million to $35.0 million compared with $125.6 million for the three months ended June 30, 2021. The decrease in net cash provided by operating activities was largely due to an increase in compensation, primarily related to headcount growth, higher operating expenses and income tax payments, as well as a decrease in cash collections compared to the same quarter in the prior year. Days sales outstanding ("DSO") was 102 days at June 30, 2022 and 2021.

Free Cash Flow was an inflow of $22.0 million and $105.8 million for the three months ended June 30, 2022 and 2021, respectively. The decrease for the three months ended June 30, 2022 was primarily due to lower net cash provided by operating activities, as described above, partially offset by a decrease in net cash used for purchases of property and equipment.

Coronavirus Disease 2019 ("COVID-19") Pandemic

The COVID-19 pandemic created global volatility, economic uncertainty and general market disruption, and it has impacted each of our segments, practices and regions differently. During the three months ended June 30, 2022, the COVID-19 pandemic continued to impact our ability to deliver certain services due to, for example, travel restrictions, backlogs at courts and government moratoriums on restructuring. These impacts varied across our segments and regions. Although we have not been materially adversely impacted by illness in our employee population, the COVID-19 pandemic itself and the potential evolution of more contagious or dangerous variants, coupled with vaccine hesitancy, declining immunity levels from vaccines over time and delays in developing vaccines targeted to new variants, could increase the risk that our employees may experience negative health outcomes, impair employee retention or headcount growth, and adversely affect our ability to service clients or win new engagements. We expect that the impact of these potential effects, if experienced, will differ across our segments and geographies and will be difficult to quantify. Governmental or client vaccine mandates could also limit our ability to perform services for certain clients or in certain geographies, as well as to attract and retain certain clients. In addition, vaccine hesitancy by some employees could delay or impede in-person back-to-work efforts, reduce the pool of qualified employment candidates that are available to us to staff engagements or to hire, negatively impact our ability to provide client services or win engagements, and result in more adverse health outcomes for our employee population. Evolving business practices, including those related to remote work, as well as governmental fiscal and monetary policies have mitigated the negative economic impact of the pandemic in certain key geographies. The COVID-19 pandemic and its impact on our business and the health and welfare of our employees continues to be difficult to predict, especially due to uncertainty arising from the continuing evolution of COVID-19 variants, the efficacy of vaccinations against new variants, regional variances in the availability of vaccinations and the roll-out of vaccination programs, including vaccine mandates imposed by governments that could apply to us and our employees and requirements imposed by our clients relating to the vaccination status of our employees who serve such clients.

Headcount

Our total headcount increased 4.0% from 6,780 as of December 31, 2021 to 7,048 as of June 30, 2022. The following table includes the net billable headcount additions for the six months ended June 30, 2022:

Billable Headcount	Corporate Finance	FLC	Economic Consulting	Technology	Strategic Communications	Total
December 31, 2021	1,702	1,496	921	468	814	5,401
Additions, net	55	17	29	28	42	171
March 31, 2022	1,757	1,513	950	496	856	5,572
Additions (reductions), net	12	(4)	(15)	11	21	25
June 30, 2022	1,769	1,509	935	507	877	5,597
Percentage change in headcount from December 31, 2021	3.9 %	0.9 %	1.5 %	8.3 %	7.7 %	3.6 %

CONSOLIDATED RESULTS OF OPERATIONS

Segment and Consolidated Operating Results:

	Three Months Ended June 30, 2022	Three Months Ended June 30, 2021	Six Months Ended June 30, 2022	Six Months Ended June 30, 2021
	(in thousands, except per share data)		(in thousands, except per share data)	
Revenues				
Corporate Finance	$ 277,067	$ 230,971	$ 530,396	$ 457,174
FLC	164,248	150,746	318,144	301,567
Economic Consulting	164,041	183,306	330,018	352,579
Technology	77,782	78,646	158,266	158,105
Strategic Communications	71,854	67,817	141,788	128,338
Total revenues	$ 754,992	$ 711,486	$ 1,478,612	$ 1,397,763
Segment operating income				
Corporate Finance	$ 50,935	$ 40,103	$ 100,989	$ 74,402
FLC	15,014	16,492	30,556	44,498
Economic Consulting	20,439	29,204	40,382	54,436
Technology	4,930	15,340	15,173	33,899
Strategic Communications	10,633	12,198	25,467	21,318
Total segment operating income	101,951	113,337	212,567	228,553
Unallocated corporate expenses	(37,716)	(29,357)	(69,055)	(56,067)
Operating income	64,235	83,980	143,512	172,486
Other income (expense)				
Interest income and other	2,994	(912)	2,647	122
Interest expense	(2,448)	(5,294)	(5,090)	(10,091)
	546	(6,206)	(2,443)	(9,969)
Income before income tax provision	64,781	77,774	141,069	162,517
Income tax provision	13,353	14,992	30,320	35,239
Net income	$ 51,428	$ 62,782	$ 110,749	$ 127,278
Earnings per common share — basic	$ 1.52	$ 1.88	$ 3.29	$ 3.80
Earnings per common share — diluted	$ 1.43	$ 1.77	$ 3.10	$ 3.61

Reconciliation of Net Income to Adjusted EBITDA:

	Three Months Ended June 30, 2022	Three Months Ended June 30, 2021	Six Months Ended June 30, 2022	Six Months Ended June 30, 2021
	(in thousands)		(in thousands)	
Net income	$ 51,428	$ 62,782	$ 110,749	$ 127,278
Add back:				
Income tax provision	13,353	14,992	30,320	35,239
Interest income and other	(2,994)	912	(2,647)	(122)
Interest expense	2,448	5,294	5,090	10,091
Depreciation and amortization	9,188	8,604	18,095	16,765
Amortization of intangible assets	2,737	2,854	5,005	5,655
Remeasurement of acquisition-related contingent consideration	—	(3,130)	—	(3,130)
Adjusted EBITDA	$ 76,160	$ 92,308	$ 166,612	$ 191,776

Reconciliation of Net Income and EPS to Adjusted Net Income and Adjusted EPS:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
	(in thousands, except per share data)		(in thousands, except per share data)	
Net income	$ 51,428	$ 62,782	$ 110,749	$ 127,278
Add back:				
Remeasurement of acquisition-related contingent consideration	—	(3,130)	—	(3,130)
Non-cash interest expense on convertible notes	—	2,380	—	4,728
Tax impact of non-cash interest expense on convertible notes	—	(619)	—	(1,229)
Adjusted Net Income	$ 51,428	$ 61,413	$ 110,749	$ 127,647
Earnings per common share — diluted	$ 1.43	$ 1.77	$ 3.10	$ 3.61
Add back:				
Remeasurement of acquisition-related contingent consideration	—	(0.09)	—	(0.09)
Non-cash interest expense on convertible notes	—	0.07	—	0.13
Tax impact of non-cash interest expense on convertible notes	—	(0.01)	—	(0.03)
Adjusted earnings per common share — diluted	$ 1.43	$ 1.74	$ 3.10	$ 3.62
Weighted average number of common shares outstanding — diluted	35,909	35,374	35,778	35,218

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
	(in thousands)		(in thousands)	
Net cash provided by (used in) operating activities	$ 35,047	$ 125,558	$ (168,731)	$ (41,026)
Purchases of property and equipment	(13,028)	(19,724)	(25,635)	(27,725)
Free Cash Flow	$ 22,019	$ 105,834	$ (194,366)	$ (68,751)

Three Months Ended June 30, 2022 Compared with Three Months Ended June 30, 2021

Revenues and operating income

See “Segment Results” for an expanded discussion of revenues, gross profit and SG&A expenses.

Unallocated corporate expenses

Unallocated corporate expenses for the three months ended June 30, 2022 increased $8.4 million, or 28.5%, to $37.7 million compared with $29.4 million for the three months ended June 30, 2021. The increase was primarily due to higher travel and entertainment and consulting expenses.

Interest income and other

Interest income and other, which includes FX gains and losses, increased $3.9 million to a $3.0 million gain for the three months ended June 30, 2022 compared with a $0.9 million loss for the three months ended June 30, 2021. The increase was primarily due to a $1.9 million net FX gain for the three months ended June 30, 2022 compared to a $1.4 million net FX loss for the three months ended June 30, 2021.

FX gains and losses, both realized and unrealized, relate to the remeasurement or settlement of monetary assets and liabilities that are denominated in a currency other than an entity’s functional currency. These monetary assets and liabilities include cash, as well as third-party and intercompany receivables and payables.

Interest expense

Interest expense for the three months ended June 30, 2022 decreased $2.8 million to $2.4 million compared to $5.3 million for the three months ended June 30, 2021. The decrease was primarily due to the adoption of ASU 2020-06 as described above.

Income tax provision

Our income tax provision decreased $1.6 million, or 10.9%, to $13.4 million for the three months ended June 30, 2022 from $15.0 million for the three months ended June 30, 2021. Our effective tax rate of 20.6% for the three months ended June 30, 2022 compared with 19.3% for the three months ended June 30, 2021. The tax rate for the three months ended June 30, 2022 and 2021 was impacted by a discrete tax adjustment related to share-based compensation, which had a more favorable benefit in 2022 due to more shares vesting at a higher share price of our common stock. The tax rate for the three months ended June 30, 2021 was also favorably impacted by a one-time discrete tax adjustment related to the future change in the United Kingdom (“U.K.”) tax rate, which required us to remeasure our deferred tax asset related to an intellectual property license between our U.S. and U.K. subsidiaries. In June 2021, the U.K. government approved the U.K. tax rate increase from 19.0% to 25.0% effective in April 2023.

Six Months Ended June 30, 2022 Compared with Six Months Ended June 30, 2021

Revenues and operating income

See “Segment Results” for an expanded discussion of revenues, gross profit and SG&A expenses.

Unallocated corporate expenses

Unallocated corporate expenses for the six months ended June 30, 2022 increased $13.0 million, or 23.2%, to $69.1 million compared with $56.1 million for the six months ended June 30, 2021. The increase was primarily due to higher travel and entertainment, consulting and legal expenses.

Interest income and other

Interest income and other, which includes FX gains and losses, increased $2.5 million to a $2.6 million gain for the six months ended June 30, 2022 compared with a $0.1 million gain for the six months ended June 30, 2021. The increase was primarily due to a $0.8 million net FX gain for the six months ended June 30, 2022 compared to a $1.0 million net FX loss for the six months ended June 30, 2021.

Interest expense

Interest expense for the six months ended June 30, 2022 decreased $5.0 million to $5.1 million compared to $10.1 million for the six months ended June 30, 2021. The decrease was primarily due to the adoption of ASU 2020-06 as described above.

Income tax provision

Our income tax provision decreased $4.9 million or 14.0%, to $30.3 million for the six months ended June 30, 2022 from $35.2 million for the six months ended June 30, 2021. Our effective tax rate of 21.5% for the six months ended June 30, 2022 compared to 21.7% for the six months ended June 30, 2021. The tax rate for the six months ended June 30, 2022 and 2021 was impacted by a discrete tax adjustment related to share-based compensation, which had a more favorable benefit in 2022 due to more shares vesting at a higher share price of our common stock. The tax rate for the six months ended June 30, 2021 was also favorably impacted by a one-time discrete tax adjustment related to the future change in the U.K. tax rate, which required us to remeasure our deferred tax asset related to an intellectual property license between our U.S. and U.K. subsidiaries. In June 2021, the U.K. government approved the U.K. tax rate increase from 19.0% to 25.0% effective in April 2023.

SEGMENT RESULTS

Total Adjusted Segment EBITDA

We evaluate the performance of each of our operating segments based on Adjusted Segment EBITDA, which is a GAAP financial measure. The following table reconciles net income to Total Adjusted Segment EBITDA, a non-GAAP financial measure, for the three and six months ended June 30, 2022 and 2021:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
	(in thousands)		(in thousands)	
Net income	$ 51,428	$ 62,782	$ 110,749	$ 127,278
Add back:				
Income tax provision	13,353	14,992	30,320	35,239
Interest income and other	(2,994)	912	(2,647)	(122)
Interest expense	2,448	5,294	5,090	10,091
Unallocated corporate expenses	37,716	29,357	69,055	56,067
Total segment operating income	101,951	113,337	212,567	228,553
Add back:				
Segment depreciation expense	8,452	7,834	16,636	15,264
Amortization of intangible assets	2,737	2,853	5,005	5,653
Remeasurement of acquisition-related contingent consideration	—	(3,130)	—	(3,130)
Total Adjusted Segment EBITDA	$ 113,140	$ 120,894	$ 234,208	$ 246,340

Other Segment Operating Data

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Number of revenue-generating professionals (at period end):				
Corporate Finance	1,769	1,632	1,769	1,632
FLC	1,509	1,399	1,509	1,399
Economic Consulting	935	884	935	884
Technology [1]	507	429	507	429
Strategic Communications	877	771	877	771
Total revenue-generating professionals	5,597	5,115	5,597	5,115
Utilization rates of billable professionals: [2]				
Corporate Finance	62 %	59 %	62 %	59 %
FLC	56 %	60 %	56 %	60 %
Economic Consulting	70 %	75 %	71 %	75 %
Average billable rate per hour: [3]				
Corporate Finance	$ 471	$ 456	$ 458	$ 456
FLC	$ 360	$ 344	$ 357	$ 350
Economic Consulting	$ 477	$ 524	$ 476	$ 504

(1) The number of revenue-generating professionals for the Technology segment excludes as-needed professionals, who we employ based on demand for the segment's services. We employed an average of 600 as-needed employees during the three months ended June 30, 2022 compared with 601 as-needed employees during the three months ended June 30, 2021.

(2) We calculate the utilization rate for our billable professionals by dividing the number of hours that all of our billable professionals worked on client assignments during a period by the total available working hours for all of our billable professionals during the same period. Available hours are determined by the standard hours worked by each employee, adjusted for part-time hours, U.S. standard work weeks and local country holidays. Available working hours include vacation and professional training days, but exclude holidays. Utilization rates are presented for our segments that primarily bill clients on an hourly basis. We have not presented utilization rates for our Technology and Strategic Communications segments as most of the revenues of these segments are not generated on an hourly basis.

(3) For engagements where revenues are based on number of hours worked by our billable professionals, average billable rate per hour is calculated by dividing revenues (excluding revenues from success fees, pass-through revenues and outside consultants) for a period by the number of hours worked on client assignments during the same period. We have not presented average billable rates per hour for our Technology and Strategic Communications segments as most of the revenues of these segments are not based on billable hours.

CORPORATE FINANCE & RESTRUCTURING

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
	(dollars in thousands, except rate per hour)		(dollars in thousands, except rate per hour)	
Revenues	$ 277,067	$ 230,971	$ 530,396	$ 457,174
Percentage change in revenues from prior year	20.0 %	-6.1 %	16.0 %	0.8 %
Operating expenses				
Direct cost of revenues	181,221	158,560	347,467	317,673
Selling, general and administrative expenses	42,604	30,424	77,813	61,328
Amortization of intangible assets	2,307	1,884	4,127	3,771
	226,132	190,868	429,407	382,772
Segment operating income	50,935	40,103	100,989	74,402
Percentage change in segment operating income from prior year	27.0 %	-45.7 %	35.7 %	-38.2 %
Add back:				
Depreciation and amortization of intangible assets	4,015	3,201	7,501	6,341
Fair value remeasurement of contingent consideration	—	(3,130)	—	(3,130)
Adjusted Segment EBITDA	$ 54,950	$ 40,174	$ 108,490	$ 77,613
Gross profit [(1)]	$ 95,846	$ 72,411	$ 182,929	$ 139,501
Percentage change in gross profit from prior year	32.4 %	-29.5 %	31.1 %	-23.3 %
Gross profit margin [(2)]	34.6 %	31.4 %	34.5 %	30.5 %
Adjusted Segment EBITDA as a percentage of revenues	19.8 %	17.4 %	20.5 %	17.0 %
Number of revenue-generating professionals (at period end)	1,769	1,632	1,769	1,632
Percentage change in number of revenue-generating professionals from prior year	8.4 %	19.8 %	8.4 %	19.8 %
Utilization rate of billable professionals	62 %	59 %	62 %	59 %
Average billable rate per hour	$ 471	$ 456	$ 458	$ 456

(1) Revenues less direct cost of revenues
(2) Gross profit as a percentage of revenues

Three Months Ended June 30, 2022 Compared with Three Months Ended June 30, 2021

Revenues increased $46.1 million, or 20.0%, to $277.1 million for the three months ended June 30, 2022, which included a 2.7% estimated negative impact from FX. Acquisition-related revenues contributed $3.6 million, or 1.6% of the increase, compared to the same quarter in the prior year. Excluding the estimated impact from FX and acquisition-related revenues, revenues increased $48.7 million, or 21.1%, primarily due to increased demand and realized rates across our transactions and business transformation services, as well as increased demand for restructuring services in North America.

Gross profit increased $23.4 million, or 32.4%, to $95.8 million for the three months ended June 30, 2022. Gross profit margin increased 3.2 percentage points for the three months ended June 30, 2022. The increase in gross profit margin was primarily due to a 3 percentage point increase in utilization, as well as lower compensation as a percentage of revenues.

SG&A expenses increased $12.2 million, or 40.0%, to $42.6 million for the three months ended June 30, 2022, which included a 2.1% estimated positive impact from FX. SG&A expenses of 15.4% of revenues for the three months ended June 30, 2022 compared with 13.2% of revenues for the three months ended June 30, 2021. The increase in SG&A expenses was primarily due to higher travel and entertainment, infrastructure support, recruiting, and other general and administrative expenses.

Six Months Ended June 30, 2022 Compared with Six Months Ended June 30, 2021

Revenues increased $73.2 million, or 16.0%, to $530.4 million for the six months ended June 30, 2022, which included a 2.0% estimated negative impact from FX. Acquisition-related revenues contributed $5.9 million, or 1.3% of the increase, compared to the same period in the prior year. Excluding the estimated impact from FX and acquisition-related revenues, revenues increased $76.3 million, or 16.7%, primarily due to increased demand across our business transformation and transactions services, as well as higher realized rates, pass-through revenues and success fees.

Gross profit increased $43.4 million, or 31.1%, to $182.9 million for the six months ended June 30, 2022. Gross profit margin increased 4.0 percentage points for the six months ended June 30, 2022. The increase in gross profit margin was primarily due to a 3 percentage point increase in utilization, lower compensation as a percentage of revenues and higher realized rates.

SG&A expenses increased $16.5 million, or 26.9%, to $77.8 million for the six months ended June 30, 2022, which included a 1.8% estimated positive impact from FX. SG&A expenses of 14.7% of revenues for the six months ended June 30, 2022 compared with 13.4% of revenues for the six months ended June 30, 2021. The increase in SG&A expenses was primarily due to higher travel and entertainment, outside services, and other general and administrative expenses.

FORENSIC AND LITIGATION CONSULTING

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
	(dollars in thousands, except rate per hour)		(dollars in thousands, except rate per hour)	
Revenues	$ 164,248	$ 150,746	$ 318,144	$ 301,567
Percentage change in revenues from prior year	9.0 %	41.7 %	5.5 %	18.7 %
Operating expenses				
Direct cost of revenues	117,551	108,615	228,029	207,902
Selling, general and administrative expenses	31,438	25,415	59,066	48,769
Amortization of intangible assets	245	224	493	398
	149,234	134,254	287,588	257,069
Segment operating income	15,014	16,492	30,556	44,498
Percentage change in segment operating income from prior year	-9.0 %	NM [3]	-31.3 %	387.7 %
Add back:				
Depreciation and amortization of intangible assets	1,693	1,510	3,408	2,936
Adjusted Segment EBITDA	$ 16,707	$ 18,002	$ 33,964	$ 47,434
Gross profit [1]	$ 46,697	$ 42,131	$ 90,115	$ 93,665
Percentage change in gross profit from prior year	10.8 %	193.0 %	-3.8 %	55.7 %
Gross profit margin [2]	28.4 %	27.9 %	28.3 %	31.1 %
Adjusted Segment EBITDA as a percentage of revenues	10.2 %	11.9 %	10.7 %	15.7 %
Number of revenue-generating professionals (at period end)	1,509	1,399	1,509	1,399
Percentage change in number of revenue-generating professionals from prior year	7.9 %	5.5 %	7.9 %	5.5 %
Utilization rate of billable professionals	56 %	60 %	56 %	60 %
Average billable rate per hour	$ 360	$ 344	$ 357	$ 350

(1) Revenues less direct cost of revenues
(2) Gross profit as a percentage of revenues
(3) Fluctuation in terms of percentage change is not meaningful.

Three Months Ended June 30, 2022 Compared with Three Months Ended June 30, 2021

Revenues increased $13.5 million, or 9.0%, to $164.2 million for the three months ended June 30, 2022, which included a 1.9% estimated negative impact from FX. Excluding the estimated impact from FX, revenues increased $16.3 million, or 10.8%, primarily due to higher demand for our health solutions services and higher realized rates for our investigations services, which was partially offset by lower demand for our disputes and data & analytics services.

Gross profit increased $4.6 million, or 10.8%, to $46.7 million for the three months ended June 30, 2022. Gross profit margin increased 0.5 percentage points for the three months ended June 30, 2022. The increase in gross profit margin was primarily due to an increase in utilization for our health solutions services and lower variable compensation.

SG&A expenses increased $6.0 million, or 23.7%, to $31.4 million for the three months ended June 30, 2022, which included a 2.1% estimated positive impact from FX. SG&A expenses were 19.1% of revenues for the three months ended June 30, 2022, compared with 16.9% of revenues for the three months ended June 30, 2021. The increase in SG&A expenses was primarily driven by higher travel and entertainment, infrastructure support, and other general and administrative expenses.

Six Months Ended June 30, 2022 Compared with Six Months Ended June 30, 2021

Revenues increased $16.6 million, or 5.5%, to $318.1 million for the six months ended June 30, 2022, which included a 1.3% estimated negative impact from FX. Excluding the estimated impact from FX, revenues increased $20.5 million, or 6.8%, primarily due to higher demand for our health solutions services and higher realized rates for our investigations services, which was partially offset by lower demand for our data & analytics and disputes services.

Gross profit decreased $3.6 million, or 3.8%, to $90.1 million for the six months ended June 30, 2022. Gross profit margin decreased 2.7 percentage points for the six months ended June 30, 2022. The decrease in gross profit margin was largely related to a 4 percentage point decline in utilization, primarily for our data & analytics and disputes services, as well as higher compensation as a percentage of revenues.

SG&A expenses increased $10.3 million, or 21.1%, to $59.1 million for the six months ended June 30, 2022, which included a 1.4% estimated positive impact from FX. SG&A expenses of 18.6% of revenues for the six months ended June 30, 2022 compared with 16.2% of revenues for the six months ended June 30, 2021. The increase in SG&A expenses was primarily driven by higher travel and entertainment, infrastructure support, and other general and administrative expenses.

ECONOMIC CONSULTING

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
	(dollars in thousands, except rate per hour)		(dollars in thousands, except rate per hour)	
Revenues	$ 164,041	$ 183,306	$ 330,018	$ 352,579
Percentage change in revenues from prior year	-10.5 %	21.0 %	-6.4 %	24.3 %
Operating expenses				
Direct cost of revenues	122,006	135,579	246,476	260,720
Selling, general and administrative expenses	21,596	18,523	43,160	37,423
	143,602	154,102	289,636	298,143
Segment operating income	20,439	29,204	40,382	54,436
Percentage change in segment operating income from prior year	-30.0 %	44.5 %	-25.8 %	72.2 %
Add back:				
Depreciation and amortization of intangible assets	1,207	1,495	2,459	2,842
Adjusted Segment EBITDA	$ 21,646	$ 30,699	$ 42,841	$ 57,278
Gross profit (1)	$ 42,035	$ 47,727	$ 83,542	$ 91,859
Percentage change in gross profit from prior year	-11.9 %	15.8 %	-9.1 %	27.0 %
Gross profit margin (2)	25.6 %	26.0 %	25.3 %	26.1 %
Adjusted Segment EBITDA as a percentage of revenues	13.2 %	16.7 %	13.0 %	16.2 %
Number of revenue-generating professionals (at period end)	935	884	935	884
Percentage change in number of revenue-generating professionals from prior year	5.8 %	9.1 %	5.8 %	9.1 %
Utilization rate of billable professionals	70 %	75 %	71 %	75 %
Average billable rate per hour	$ 477	$ 524	$ 476	$ 504

(1) Revenues less direct cost of revenues

(2) Gross profit as a percentage of revenues

Three Months Ended June 30, 2022 Compared with Three Months Ended June 30, 2021

Revenues decreased $19.3 million, or 10.5%, to $164.0 million for the three months ended June 30, 2022, which included a 3.9% estimated negative impact from FX. Excluding the estimated impact from FX, revenues decreased $12.2 million, or 6.6%, primarily due to lower demand for our M&A-related antitrust services and lower realization, largely due to revenue deferrals for our non-M&A-related antitrust services, which was partially offset by higher demand for our non-M&A-related antitrust services.

Gross profit decreased $5.7 million, or 11.9%, to $42.0 million for the three months ended June 30, 2022. Gross profit margin decreased 0.4 percentage points for the three months ended June 30, 2022. The decrease in gross profit margin was primarily due to lower realization and a 5 percentage point decrease in utilization, which was partially offset by lower variable compensation.

SG&A expenses increased $3.1 million, or 16.6%, to $21.6 million for the three months ended June 30, 2022, which included a 4.3% estimated positive impact from FX. SG&A expenses of 13.2% of revenues for the three months ended June 30, 2022 compared with 10.1% of revenues for the three months ended June 30, 2021. The increase in SG&A expenses was primarily driven by higher travel and entertainment, infrastructure support, bad debt and other general and administrative expenses.

Six Months Ended June 30, 2022 Compared with Six Months Ended June 30, 2021

Revenues decreased $22.6 million, or 6.4%, to $330.0 million for the six months ended June 30, 2022, which included a 2.9% estimated negative impact from FX. Excluding the estimated impact from FX, revenues decreased $12.4 million, or 3.5%, primarily due to lower demand for our M&A-related antitrust services and lower realization, largely due to revenue deferrals for our non-M&A-related antitrust services, which was partially offset by higher demand for our non-M&A-related antitrust services and higher realization for our M&A-related antitrust services.

Gross profit decreased $8.3 million, or 9.1%, to $83.5 million for the six months ended June 30, 2022. Gross profit margin decreased 0.7 percentage points for the six months ended June 30, 2022. The decrease in gross profit margin was primarily due to a 4 percentage point decrease in utilization and lower realization, which was partially offset by lower variable compensation.

SG&A expenses increased $5.7 million, or 15.3%, to $43.2 million for the six months ended June 30, 2022, which included a 2.9% estimated positive impact from FX. SG&A expenses of 13.1% of revenues for the six months ended June 30, 2022 compared with 10.6% of revenues for the six months ended June 30, 2021. The increase in SG&A expenses was primarily driven by higher bad debt, compensation, infrastructure support, travel and entertainment, and other general and administrative expenses.

TECHNOLOGY

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
	(dollars in thousands)		(dollars in thousands)	
Revenues	$ 77,782	$ 78,646	$ 158,266	$ 158,105
Percentage change in revenues from prior year	-1.1 %	67.0 %	0.1 %	49.4 %
Operating expenses				
Direct cost of revenues	53,556	45,666	104,471	91,223
Selling, general and administrative expenses	19,296	17,640	38,622	32,983
	72,852	63,306	143,093	124,206
Segment operating income	4,930	15,340	15,173	33,899
Percentage change in segment operating income from prior year	-67.9 %	347.0 %	-55.2 %	125.7 %
Add back:				
Depreciation and amortization of intangible assets	3,435	3,178	6,555	6,217
Adjusted Segment EBITDA	$ 8,365	$ 18,518	$ 21,728	$ 40,116
Gross profit [(1)]	$ 24,226	$ 32,980	$ 53,795	$ 66,882
Percentage change in gross profit from prior year	-26.5 %	99.2 %	-19.6 %	58.9 %
Gross profit margin [(2)]	31.1 %	41.9 %	34.0 %	42.3 %
Adjusted Segment EBITDA as a percentage of revenues	10.8 %	23.5 %	13.7 %	25.4 %
Number of revenue-generating professionals (at period end) [(3)]	507	429	507	429
Percentage change in number of revenue-generating professionals from prior year	18.2 %	11.1 %	18.2 %	11.1 %

(1) Revenues less direct cost of revenues
(2) Gross profit as a percentage of revenues
(3) Includes personnel involved in direct client assistance and revenue-generating consultants and excludes professionals employed on an as-needed basis.

Three Months Ended June 30, 2022 Compared with Three Months Ended June 30, 2021

Revenues decreased $0.9 million, or 1.1%, to $77.8 million for the three months ended June 30, 2022, which included a 2.5% estimated negative impact from FX. Excluding the estimated impact from FX, revenues increased $1.1 million, or 1.4%, primarily due to higher demand for processing services. Higher demand for information governance, privacy and security, and investigations services was partially offset by lower demand for litigation and M&A-related "second request" services.

Gross profit decreased $8.8 million, or 26.5%, to $24.2 million for the three months ended June 30, 2022. Gross profit margin decreased 10.8 percentage points for the three months ended June 30, 2022. The decrease in gross profit margin was primarily due to higher compensation, which included the impact of an 18.2% increase in billable headcount and an increase in as-needed contractors, as well as lower profitability of our managed review services.

SG&A expenses increased $1.7 million, or 9.4%, to $19.3 million for the three months ended June 30, 2022, which included a 2.4% estimated positive impact from FX. SG&A expenses of 24.8% of revenues for the three months ended June 30, 2022 compared with 22.4% of revenues for the three months ended June 30, 2021. The increase in SG&A expenses was primarily due to higher travel and entertainment, talent development, and other general and administrative expenses.

Six Months Ended June 30, 2022 Compared with Six Months Ended June 30, 2021

Revenues increased $0.2 million, or 0.1%, to $158.3 million for the six months ended June 30, 2022, which included a 1.6% estimated negative impact from FX. Excluding the estimated impact from FX, revenues increased $2.7 million, or 1.7%, primarily due to higher demand for hosting services, largely related to investigation and litigation engagements, and higher demand for processing services, mostly related to investigations, which was partially offset by lower demand for managed review services, primarily related to litigation and M&A-related "second request" engagements.

Gross profit decreased $13.1 million, or 19.6%, to $53.8 million for the six months ended June 30, 2022. Gross profit margin decreased 8.3 percentage points for the six months ended June 30, 2022. The decrease in gross profit margin was primarily due to higher compensation, which included the impact of an 18.2% increase in billable headcount and an increase in as-needed contractors, as well as the lower profitability of our managed review services.

SG&A expenses increased $5.6 million, or 17.1%, to $38.6 million for the six months ended June 30, 2022, which included a 1.7% estimated positive impact from FX. SG&A expenses of 24.4% of revenues for the six months ended June 30, 2022 compared with 20.9% of revenues for the six months ended June 30, 2021. The increase in SG&A expenses was primarily due to higher compensation, travel and entertainment, and other general and administrative expenses.

STRATEGIC COMMUNICATIONS

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
	(dollars in thousands)		(dollars in thousands)	
Revenues	$ 71,854	$ 67,817	$ 141,788	$ 128,338
Percentage change in revenues from prior year	6.0 %	19.2 %	10.5 %	11.3 %
Operating expenses				
Direct cost of revenues	45,747	42,302	86,741	81,628
Selling, general and administrative expenses	15,289	12,572	29,195	23,908
Amortization of intangible assets	185	745	385	1,484
	61,221	55,619	116,321	107,020
Segment operating income	10,633	12,198	25,467	21,318
Percentage change in segment operating income from prior year	-12.8 %	38.6 %	19.5 %	30.9 %
Add back:				
Depreciation and amortization of intangible assets	839	1,303	1,718	2,581
Adjusted Segment EBITDA	$ 11,472	$ 13,501	$ 27,185	$ 23,899
Gross profit (1)	$ 26,107	$ 25,515	$ 55,047	$ 46,710
Percentage change in gross profit from prior year	2.3 %	27.8 %	17.8 %	14.7 %
Gross profit margin (2)	36.3 %	37.6 %	38.8 %	36.4 %
Adjusted Segment EBITDA as a percentage of revenues	16.0 %	19.9 %	19.2 %	18.6 %
Number of revenue-generating professionals (at period end)	877	771	877	771
Percentage change in number of revenue-generating professionals from prior year	13.7 %	1.3 %	13.7 %	1.3 %

(1) Revenues less direct cost of revenues
(2) Gross profit as a percentage of revenues

Three Months Ended June 30, 2022 Compared with Three Months Ended June 30, 2021

Revenues increased $4.0 million, or 6.0%, to $71.9 million for the three months ended June 30, 2022, which included a 5.8% estimated negative impact from FX. Excluding the estimated impact from FX, revenues increased $7.9 million, or 11.7%, primarily due to growth in project- and retainer-based revenues, mainly driven by higher demand for our corporate reputation services.

Gross profit increased $0.6 million, or 2.3%, to $26.1 million for the three months ended June 30, 2022. Gross profit margin decreased 1.3 percentage points for the three months ended June 30, 2022. The decrease in gross profit margin was driven by higher compensation as a percentage of revenues, which included the impact of a 13.7% increase in billable headcount.

SG&A expenses increased $2.7 million, or 21.6%, to $15.3 million for the three months ended June 30, 2022, which included a 5.0% estimated positive impact from FX. SG&A expenses of 21.3% of revenues for the three months ended June 30, 2022 compared with 18.5% of revenues for the three months ended June 30, 2021. The increase in SG&A expenses was primarily due to higher travel and entertainment, infrastructure support, and other general and administrative expenses.

Six Months Ended June 30, 2022 Compared with Six Months Ended June 30, 2021

Revenues increased $13.5 million, or 10.5%, to $141.8 million for the six months ended June 30, 2022, which included a 4.3% estimated negative impact from FX. Excluding the estimated impact from FX, revenues increased $18.9 million, or 14.7%, primarily due to growth in project- and retainer-based revenues, mainly driven by higher demand for our corporate reputation services.

Gross profit increased $8.3 million, or 17.8%, to $55.0 million for the six months ended June 30, 2022. Gross profit margin increased 2.4 percentage points for the six months ended June 30, 2022. The increase in gross profit margin was driven by lower compensation as a percentage of revenues and a lower mix of pass-through revenues.

SG&A expenses increased $5.3 million, or 22.1%, to $29.2 million for the six months ended June 30, 2022, which included a 3.8% estimated positive impact from FX. SG&A expenses of 20.6% of revenues for the six months ended June 30, 2022 compared with 18.6% of revenues for the six months ended June 30, 2021. The increase in SG&A expenses was primarily due to higher infrastructure support, travel and entertainment, and other general and administrative expenses.

CRITICAL ACCOUNTING ESTIMATES

Our discussion and analysis of our financial condition and results of operations are based on our condensed consolidated financial statements, which we have prepared in accordance with GAAP. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses and related disclosure of contingent assets and liabilities. Note 1 to the Consolidated Financial Statements included in Part II, Item 8, of our Annual Report on Form 10-K for the year ended December 31, 2021 describes the significant accounting policies and methods used in preparation of the Condensed Consolidated Financial Statements in this Quarterly Report on Form 10-Q. We evaluate our estimates, including those related to revenues, goodwill and intangible assets, income taxes and contingencies, on an ongoing basis. Our estimates are based on current facts and circumstances, historical experience and various other assumptions that we believe are reasonable, which form the basis for making judgments about the values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. The accounting estimates that reflect our more significant judgments, and which we believe are the most critical to aid in fully understanding and evaluating our reported financial results, include the following:

- Revenue Recognition
- Goodwill and Intangible Assets

There were no material changes to our critical accounting estimates from the information provided in “Critical Accounting Estimates” in the Management's Discussion and Analysis of Financial Condition and Results of Operations, in Part II, Item 7, of our Annual Report on Form 10-K for the year ended December 31, 2021, or from the information provided in Part II, Item 8, of our Annual Report on Form 10-K for the year ended December 31, 2021.

SIGNIFICANT NEW ACCOUNTING PRONOUNCEMENTS

See Note 2, “New Accounting Standards” in Part I, Item 1, of this Quarterly Report on Form 10-Q.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity

Our annual cash flows from operations generally exceed our cash needs for capital expenditures and debt service requirements. We typically finance our day-to-day operations, capital expenditures, acquisitions and share repurchases through cash flows from operations. During the first quarter of our fiscal year, our cash needs generally exceed our cash flows from operations due to the payment of annual incentive compensation. Our operating cash flows generally exceed our cash needs subsequent to the second quarter of each year. We believe that our cash flows from operations, supplemented by short-term borrowings under our senior secured bank revolving credit facility ("Credit Facility"), as necessary, will provide adequate cash to fund our long-term cash needs for at least the next 12 months.

Our operating assets and liabilities consist primarily of billed and unbilled accounts receivable, notes receivable from employees, accounts payable, accrued expenses and accrued compensation expenses. The timing of billings and collections of receivables, as well as compensation and vendor payments, affects the changes in these balances.

Uncertainties and Trends Affecting Liquidity

Our conclusion that we will be able to fund our cash requirements for at least the next 12 months by using existing capital resources and cash generated from operations does not take into account exacerbation of, or additional or prolonged disruptions caused by, the COVID-19 pandemic that could result in a material adverse impact on our business, other events beyond our control, the impact of any future acquisitions, or unexpected significant changes in the number of employees or other unanticipated uses of cash. The anticipated cash needs of our business could change significantly if we pursue and complete additional business acquisitions, if our business plans change, if events, including economic and workforce disruptions arising from the COVID-19 pandemic, or economic or business conditions change from those currently prevailing or from those now anticipated, or if unexpected circumstances or other events beyond our control arise that may have a material effect on the cash flow or profitability of our business, including material negative changes in the health and welfare of our employees or those of our clients, and the operating performance or financial results of our business. Any of these events or circumstances, including any new business opportunities, could involve significant additional funding needs in excess of the identified currently available sources and could require us to borrow under our Credit Facility or raise additional debt or equity funding to meet those needs. Our ability to borrow or raise additional capital, if necessary, is subject to a variety of factors that we cannot predict with certainty, including:

- our future profitability;
- the quality of our accounts receivable;
- our relative levels of debt and equity;
- the volatility and overall condition of the capital markets; and
- the market prices of our securities.

Any new debt funding, if available, may be on terms less favorable to us than our Credit Facility or the 2023 Convertible Notes. See “Forward-Looking Statements” in Part I, Item 2, of this Quarterly Report on Form 10-Q, and the information contained under the heading “Risk Factors” in Part I, Item 1A, of our Annual Report on Form 10-K for the year ended December 31, 2021.

Cash Flows

Cash Flows	Six Months Ended June 30, 2022	2021
	(dollars in thousands)	
Net cash used in operating activities	$ (168,731)	$ (41,026)
Net cash used in investing activities	$ (32,335)	$ (37,529)
Net cash provided by (used in) financing activities	$ (17,199)	$ 39,498
DSO (1)	102	102

(1) 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 revenues for the quarter, adjusted for changes in foreign exchange rates. We multiply the result by the number of days in the quarter.

Six Months Ended June 30, 2022 Compared with Six Months Ended June 30, 2021

Net cash used in operating activities of $168.7 million for the six months ended June 30, 2022 compared with $41.0 million for the six months ended June 30, 2021. The increase of $127.7 million, or 311.3%, in net cash used in operating activities was primarily due to an increase in salaries related to headcount growth, higher annual bonus payments and higher operating expenses, which was partially offset by an increase in cash collected resulting from higher revenues compared to the same period in the prior year. DSO was 102 days as of June 30, 2022 and 2021.

Net cash used in investing activities of $32.3 million for the six months ended June 30, 2022 compared with $37.5 million for the six months ended June 30, 2021. The decrease of $5.2 million, or 13.8%, in net cash used in investing activities was primarily due to a $3.1 million decrease in payments for the acquisition of businesses as well as a decrease of $2.1 million in capital expenditures.

Net cash used in financing activities of $17.2 million for the six months ended June 30, 2022 compared with $39.5 million of net cash provided by financing activities for the six months ended June 30, 2021. The increase of $56.7 million, or 143.5%, in net cash used in financing activities was primarily due to a decline in net borrowings of $100.0 million under our Credit Facility, which was partially offset by a decrease of $43.0 million in payments for common stock repurchases under the Repurchase Program as compared to the same period in the prior year.

Principal Sources of Capital Resources

As of June 30, 2022, our capital resources included $255.7 million of cash and cash equivalents and available borrowing capacity of $549.6 million under the $550.0 million revolving line of credit under our Credit Facility. As of June 30, 2022, we had no outstanding borrowings under our Credit Facility and $0.4 million of outstanding letters of credit, which reduced the availability of borrowings under the Credit Facility. We use letters of credit primarily in lieu of security deposits for our leased office facilities. The $550.0 million revolving line of credit under our Credit Facility includes a $75.0 million sublimit for borrowings in currencies other than USD, including the euro ("EUR"), British pound ("GBP"), Australian dollar and Canadian dollar.

The availability of borrowings, as well as issuances and extensions of letters of credit, under our Credit Facility is subject to specified conditions. We may choose to repay outstanding borrowings under the Credit Facility at any time before maturity without premium or penalty. Borrowings under the Credit Facility in USD, EUR and GBP bear interest at an annual rate equal to the London Interbank Offered Rate ("LIBOR"), plus an applicable margin or, in the case of USD borrowings, an alternative base rate plus an applicable margin. Due to the cessation by the ICE Benchmark Administration Limited of the publication on a representative basis of EUR LIBOR and GBP LIBOR as of December 31, 2021, EUR LIBOR is no longer available under our Credit Agreement and one-, three- and six-month GBP LIBOR is available under a "synthetic" methodology until December 31, 2022. The Credit Agreement permits FTI Consulting and Bank of America, N.A., as administrative agent thereunder, to agree to a new benchmark rate to replace EUR LIBOR and GBP LIBOR, subject to the negative consent of the Required Lenders (as defined therein). Prior to the incurrence of any borrowings under the Credit Facility in EUR or, after December 31, 2022, in GBP, we will need to agree to a replacement benchmark rate for each applicable currency in accordance with the terms of the Credit Agreement. The Credit Facility is guaranteed by substantially all of our domestic subsidiaries and is secured by a first priority security interest in substantially all of the assets of FTI Consulting and such domestic subsidiaries. Subject to certain conditions, at any time prior to maturity, we will be able to invite existing and new lenders to increase the size of the facility up to a maximum of $700.0 million.

The amended and restated credit agreement entered into in November 2018, as further amended by the first amendment to the amended and restated credit agreement dated as of February 4, 2022 (as amended by the first amendment, the "Credit Agreement"), governing the Credit Facility and our other indebtedness outstanding from time to time contains or may contain covenants that, among other things, may limit our ability to: incur additional indebtedness; create liens; pay dividends on our capital stock, make distributions or repurchases of our capital stock or make specified other restricted payments; consolidate, merge or sell all or substantially all of our assets; guarantee obligations of other entities or our foreign subsidiaries; enter into hedging agreements; enter into transactions with affiliates or related persons; or engage in any business other than consulting-related businesses. In addition, the Credit Agreement includes a financial covenant that requires us not to exceed a maximum consolidated total net leverage ratio (the ratio of funded debt (less unrestricted cash up to $150.0 million) to Consolidated EBITDA, as defined in the Credit Agreement). As of June 30, 2022, we were in compliance with the covenants contained in the Credit Agreement and the indenture, dated as of August 20, 2018, as amended by the first supplemental indenture, dated as of January 1, 2022, between us and U.S. Bank National Association, as trustee, governing the 2023 Convertible Notes. See Note 8, "Debt" in Part I, Item 1, of this Quarterly Report on Form 10-Q for a further discussion of the 2023 Convertible Notes.

Principal Uses of Capital Resources

Future Capital Requirements

We anticipate that our future capital requirements will principally consist of funds required for:

- operating and general corporate expenses relating to the operation of our businesses;
- capital expenditures, primarily for information technology equipment and information or financial systems, office furniture and leasehold improvements;
- debt service requirements, including interest payments on our long-term debt and repayments of the 2023 Convertible Notes principal and conversion premium;
- compensation to designated executive management and senior managing directors under our various long-term incentive compensation programs;
- discretionary funding of the Repurchase Program;
- contingent obligations related to our acquisitions;
- potential acquisitions of businesses; and
- other known future contractual obligations.

Capital Expenditures

During the six months ended June 30, 2022, we spent $25.6 million in capital expenditures to support our organization, including direct support for specific client engagements. For the remainder of 2022, we currently expect additional capital expenditures to support our organization in an aggregate amount of between $32 million and $39 million. Our estimate takes into consideration the needs of our existing businesses but does not include the impact of any purchases that we may be required to make as a result of future acquisitions or specific client engagements that are not completed or not currently contemplated. Our capital expenditure requirements may change if our staffing levels or technology needs change significantly from what we currently anticipate, if we are required to purchase additional equipment specifically to support new client engagements or if we pursue and complete additional acquisitions.

Share Repurchase Program

During the six months ended June 30, 2022, we made $3.1 million in payments for common stock repurchases under the Repurchase Program. We had $164.0 million remaining under the Repurchase Program to repurchase additional shares as of June 30, 2022.

Payments for Acquisition of Businesses

During the six months ended June 30, 2022, we acquired a business that was assigned to the Corporate Finance segment for an aggregate of $6.7 million, net of cash received. We also recorded a liability of $5.4 million for acquisition-related contingent consideration.

Future Contractual Obligations

Our future contractual obligations as of June 30, 2022 include both current and long-term obligations. We have a current obligation of $6.6 million and long-term obligations of $319.4 million related to our 2023 Convertible Notes, including current and long-term interest. The 2023 Convertible Notes will mature on August 15, 2023, unless earlier converted or repurchased. As of June 30, 2022, there were no outstanding borrowings under our Credit Facility, which will mature on November 30, 2023. For more information on our 2023 Convertible Notes and Credit Facility, refer to Note 8, "Debt" in Part I, Item 1. Future contractual obligations related to our long-term debt assume that payments will be made based on the current payment schedule and that interest payments will be at their stated rates and exclude any additional revolving line of credit borrowings or repayments subsequent to June 30, 2022 and prior to the November 30, 2023 maturity date of our Credit Facility. Amounts due under the 2023 Convertible Notes and the Credit Facility that are not contractually required or expected to be liquidated for more than one year from the balance sheet date are classified as long-term on the Condensed Consolidated Balance Sheets. Under our operating leases as described in Note 9, "Leases" in Part I, Item 1, we have a current obligation of $33.3 million and long-term obligations of $218.0 million.

These amounts reflect future unconditional payments and are based on the terms of the relevant agreements, appropriate classification of items under GAAP currently in effect and certain assumptions such as interest rates. Future events could cause actual payments to differ from these amounts.

Forward-Looking Statements

This Quarterly Report on Form 10-Q includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), that involve uncertainties and risks. Forward-looking statements include statements concerning our plans, initiatives, projections, prospects, policies and practices, objectives, goals, commitments, strategies, future events, future revenues, future results and performance, future capital allocations and expenditures, expectations, plans or intentions relating to acquisitions, share repurchases and other matters, business trends, new, or changes to, laws and regulations, including U.S. and foreign tax laws, environmental, social and governance ("ESG")-related issues, climate change-related matters, scientific or technological developments and other information that is not historical. Forward-looking statements often contain words such as *"estimates," "expects," "anticipates," "projects," "plans," "intends," "believes," "commits," "aspires," "forecasts," "future," "goal," "seeks"* and variations of such words or similar expressions. All forward-looking statements, including, without limitation, management's financial guidance and examination of operating trends, are based upon our historical performance and our current plans, estimates, intentions and expectations at the time we make them, and various assumptions. There can be no assurance that management's plans, expectations, intentions, aspirations, beliefs, goals, estimates, forecasts and projections will result or be achieved. Our actual financial results, performance or achievements and outcomes could differ materially from those expressed in, or implied by, any forward-looking statements. Any references to standards of measurement and performance made regarding our climate change-, ESG- or other sustainability-related plans, goals, commitments, intentions, aspirations, forecasts or projections, or expectations are developing and based on assumptions, and no assurance can be given that any such plan, goal, commitment, intention, aspiration, forecast or projection, or expectation can or will be achieved. The inclusion of any forward-looking information should not be regarded as a representation by us or any other person that the future plans, estimates, forecasts, intentions, aspirations, beliefs or expectations contemplated by us will be achieved. Given these risks, uncertainties and other factors, you should not place undue reliance on any forward-looking statements.

There are a number of risks and uncertainties that could cause our actual results to differ materially from the forward-looking statements contained in, or implied by, this Quarterly Report on Form 10-Q. Important factors that could cause our actual results to differ materially from the forward-looking statements we make in this Quarterly Report on Form 10-Q include those set forth under the heading "Risk Factors" in Part I, Item 1A, of our Annual Report on Form 10-K for the year ended December 31, 2021, as well as in other information that we file with the SEC from time to time. Important factors that could cause our actual results to differ materially from the forward-looking statements we make in this Quarterly Report on Form 10-Q include, but are not limited to, the following:

- impact of the COVID-19 pandemic and related events that are beyond our control, including possible effects on our business, financial condition and results of operations, clients and vendors, employees and contractors, and employee attrition and headcount growth, which could affect our segments and practices, the type of services they provide and the geographic regions in which we conduct business, differently and adversely, as well as heighten risks related to or otherwise negatively impact the effectiveness of cybersecurity, information technology, financial reporting and our other corporate functions;

- changes in demand for our services;

- our ability to recruit and retain qualified professionals and senior management, including segment, industry and regional leaders;
- conflicts resulting in our inability to represent certain clients;
- our former employees joining or forming competing businesses;
- our ability to manage our headcount needs and our professionals' utilization and billing rates and maintain or increase the pricing of our services and products;
- our ability to identify suitable acquisition candidates, negotiate favorable terms, take advantage of opportunistic acquisition situations and integrate the operations of acquisitions, as well as the costs of integration;
- our ability to adapt to and manage the risks associated with operating in non-U.S. markets;
- our ability to replace key personnel, including former executives, officers, senior managers and practice and regional leaders who have highly specialized skills and experience;
- our ability to protect the confidentiality of internal and client data and proprietary and confidential information, including from cyberattacks, systems failures or other similar events, or the use or misuse of social media;
- legislation or judicial rulings, including legislation or rulings regarding data privacy and the discovery process;
- periodic fluctuations in revenues, operating income and cash flows;
- damage to our reputation as a result of claims involving the quality of our services, failures of our internal information technology systems controls or adverse publicity relating to certain clients or engagements;
- fee discounting or renegotiation, lower pricing, less advantageous contract terms and unexpected termination of client engagements;
- competition for clients and key personnel;
- general economic factors, industry trends, restructuring and bankruptcy rates, legal or regulatory requirements, capital market conditions, merger and acquisition activity, major litigation activity and other events outside of our control;
- our ability to manage growth;
- risk of non-payment of receivables;
- the amount and terms of our outstanding indebtedness;
- uncertainty from the expected discontinuance of LIBOR and transition to any other interest rate benchmark;
- risks relating to the obsolescence, replacement or the protection of our information and financial systems and software, proprietary software products, intellectual property rights and trade secrets, which could adversely affect our ability to retain or win clients, conduct business, preserve or enhance our reputation, maintain business continuity or report financial results;
- foreign currency disruptions and currency fluctuations between the U.S. dollar and foreign currencies;
- U.S. and foreign tax law changes, including the enactment of proposed U.S. tax legislation into law, which could increase our effective tax rate and cash tax expenditures;
- physical risks related to climate change, including rising temperatures, severe storms, energy disruptions and rising sea levels, among others, which could adversely impact our ability to conduct business or maintain business continuity, including by affecting our access to our leased office space in affected geographies and the integrity of our information technology systems;
- our climate change and ESG-related initiatives and goals, including our policies and practices relating to the environment and climate change, sustainability, and diversity and inclusion, if they do not meet or keep pace with evolving governmental, investor or other stakeholder expectations and standards or rules and regulations; and

- fluctuations in the mix of our services and the geographic locations in which our clients are located or our services are rendered.

There may be other factors that may cause our actual results to differ materially from our forward-looking statements. All forward-looking statements attributable to us or persons acting on our behalf apply only as of the date of this Quarterly Report on Form 10-Q and are expressly qualified in their entirety by the cautionary statements included herein. We undertake no obligation to publicly update or revise any forward-looking statements to reflect subsequent events or circumstances and do not intend to do so.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

For information regarding our exposure to certain market risks, see "Quantitative and Qualitative Disclosures About Market Risk" in Part II, Item 7A, of our Annual Report on Form 10-K for the year ended December 31, 2021. There have been no material changes in our market risk exposure during the period covered by this Quarterly Report on Form 10-Q.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures. An evaluation of the effectiveness of the design and operation of our "disclosure controls and procedures" (as defined in Rule 13a-15(e) under the Exchange Act), as of the end of the period covered by this Quarterly Report on Form 10-Q, was made under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer. Based upon this evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures (a) were effective to ensure that information required to be disclosed by us in reports filed or submitted under the Exchange Act is timely recorded, processed, summarized and reported and (b) included, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in reports filed or submitted under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting. There have not been any changes in our internal control over financial reporting that occurred during the three months ended June 30, 2022 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings

From time to time in the ordinary course of business, we are subject to claims, asserted or unasserted, or named as a party to lawsuits or investigations. Litigation, in general, and intellectual property and securities litigation in particular, can be expensive and disruptive to normal business operations. Moreover, the results of legal proceedings cannot be predicted with any certainty and in the case of more complex legal proceedings such as intellectual property and securities litigation, the results are difficult to predict at all. We are not aware of any asserted or unasserted legal proceedings or claims that we believe would have a material adverse effect on our financial condition or results of our operations.

Item 1A. Risk Factors

There have been no material changes in any risk factors previously disclosed in Part I, Item 1A, of our Annual Report on Form 10-K for the year ended December 31, 2021 filed with the United States Securities and Exchange Commission ("SEC") on February 24, 2022. We may disclose changes to risk factors or disclose additional factors from time to time in our future filings with the SEC. Additional risks and uncertainties not presently known to us or that we currently deem immaterial also may impair our business operations.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Unregistered sales of equity securities.

None.

Repurchases of our common stock.

The following table provides information with respect to purchases we made of our common stock during the three months ended June 30, 2022:

	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Program [1]	Approximate Dollar Value That May Yet Be Purchased Under the Program
	(in thousands, except per share data)			
April 1 through April 30, 2022	6 [2]	$ 159.07	—	$ 163,960
May 1 through May 31, 2022	39 [3]	$ 161.88	—	$ 163,960
June 1 through June 30, 2022	10 [4]	$ 169.24	—	$ 163,960
	55		—	

(1) On June 2, 2016, our Board of Directors authorized a stock repurchase program of up to $100.0 million (the "Repurchase Program"). On each of May 18, 2017, December 1, 2017, February 21, 2019 and February 20, 2020, our Board of Directors authorized an additional $100.0 million. On each of July 28, 2020 and December 3, 2020, our Board of Directors authorized an additional $200.0 million, increasing the Repurchase Program to an aggregate authorization of $900.0 million. No time limit has been established for the completion of the Repurchase Program, and the Repurchase Program may be suspended, discontinued or replaced by the Board of Directors at any time without prior notice. There were no repurchases of shares of our common stock pursuant to the Repurchase Program during the quarter ended June 30, 2022.

(2) Includes 6,289 shares of common stock withheld to cover payroll tax withholdings related to the lapse of restrictions on restricted stock.

(3) Includes 38,572 shares of common stock withheld to cover payroll tax withholdings related to the lapse of restrictions on restricted stock.

(4) Includes 9,829 shares of common stock withheld to cover payroll tax withholdings related to the lapse of restrictions on restricted stock.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

Exhibit Number	Description
3.1	Articles of Incorporation of FTI Consulting, Inc., as amended and restated. (Filed with the Securities and Exchange Commission on May 23, 2003 as an exhibit to FTI Consulting, Inc.'s Current Report on Form 8-K dated May 21, 2003 and incorporated herein by reference.)
3.2	Articles of Amendment of FTI Consulting, Inc. (Filed with the Securities and Exchange Commission on June 2, 2011 as an exhibit to FTI Consulting, Inc.'s Current Report on Form 8-K dated June 1, 2011 and incorporated herein by reference.)
3.3	Bylaws of FTI Consulting, Inc., as amended and restated on June 1, 2011. (Filed with the Securities and Exchange Commission on June 2, 2011 as an exhibit to FTI Consulting, Inc.'s Current Report on Form 8-K dated June 1, 2011 and incorporated herein by reference.)
3.4	Amendment No. 1 to Bylaws of FTI Consulting, Inc. (Filed with the Securities and Exchange Commission on December 16, 2013 as an exhibit to FTI Consulting, Inc.'s Current Report on Form 8-K dated December 13, 2013 and incorporated herein by reference.)
3.5	Amendment No. 2 to Amended and Restated Bylaws of FTI Consulting, Inc. (Filed with the Securities and Exchange Commission on September 22, 2014 as an exhibit to FTI Consulting, Inc.'s Current Report on Form 8-K dated September 17, 2014 and incorporated herein by reference.)
31.1†	Certification of Principal Executive Officer pursuant to Rule 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as amended (Section 302 of the Sarbanes-Oxley Act of 2002.)
31.2†	Certification of Principal Financial Officer pursuant to Rule 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as amended (Section 302 of the Sarbanes-Oxley Act of 2002.)
32.1†**	Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350 (Section 906 of the Sarbanes-Oxley Act of 2002.)
32.2†**	Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350 (Section 906 of the Sarbanes-Oxley Act of 2002.)
101	The following financial information from the Quarterly Report on Form 10-Q of FTI Consulting, Inc., included herewith, and formatted in Inline XBRL (eXtensible Business Reporting Language): (i) Condensed Consolidated Balance Sheets as of June 30, 2022 and December 31, 2021; (ii) Condensed Consolidated Statements of Comprehensive Income for the three and six months ended June 30, 2022 and 2021; (iii) Condensed Consolidated Statements of Stockholders' Equity for the three and six months ended June 30, 2022 and 2021; (iv) Condensed Consolidated Statements of Cash Flows for the six months ended June 30, 2022 and 2021; and (v) Notes to the Condensed Consolidated Financial Statements, tagged as blocks of text.
104	The cover page from the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2022, formatted in Inline XBRL (included as Exhibit 101).

† Filed herewith.

** This certification is deemed not filed for purposes of Section 18 of the Exchange Act, or otherwise subject to the liability of that section, nor shall it be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: July 28, 2022

FTI CONSULTING, INC.

By: /s/ Brendan Keating

Brendan Keating
Chief Accounting Officer and Controller
(principal accounting officer)

Exhibit 31.1

Certification of Principal Executive Officer
Pursuant to Rule 13a-14(a) and 15d-14(a)
(Section 302 of the Sarbanes-Oxley Act of 2002)

I, Steven H. Gunby, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of FTI Consulting, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 28, 2022

By: /S/ STEVEN H. GUNBY

Steven H. Gunby
President and Chief Executive Officer
(principal executive officer)

Exhibit 31.2

Certification of Principal Financial Officer
Pursuant to Rule 13a-14(a) and 15d-14(a)
(Section 302 of the Sarbanes-Oxley Act of 2002)

I, Ajay Sabherwal, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of FTI Consulting, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 28, 2022

By: /S/ AJAY SABHERWAL

Ajay Sabherwal
Chief Financial Officer
(principal financial officer)

Exhibit 32.1

Certification of Principal Executive Officer
Pursuant to 18 U.S.C. Section 1350
(Section 906 of the Sarbanes-Oxley Act of 2002)

In connection with the Quarterly Report of FTI Consulting, Inc. (the "Company") on Form 10-Q for the quarter ended June 30, 2022, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Steven H. Gunby, President and Chief Executive Officer (principal executive officer) of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

1. the Report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended; and

2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: July 28, 2022

By: /s/ STEVEN H. GUNBY

Steven H. Gunby
President and Chief Executive Officer
(principal executive officer)

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

Certification of Principal Financial Officer
Pursuant to 18 U.S.C. Section 1350
(Section 906 of the Sarbanes-Oxley Act of 2002)

In connection with the Quarterly Report of FTI Consulting, Inc. (the "Company") on Form 10-Q for the quarter ended June 30, 2022, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Ajay Sabherwal, Chief Financial Officer (principal financial officer) of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

1. the Report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended; and
2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: July 28, 2022

By: /s/ AJAY SABHERWAL

Ajay Sabherwal
Chief Financial Officer
(principal financial officer)

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.