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### **FTI Consulting Reports Third Quarter 2017 Financial Results**

- *Revenues of \$449.0 Million, up 2.5% over Prior Year*
- *Fully Diluted EPS of \$0.85, up 63.5% over Prior Year; Adjusted EPS of \$0.83, up 59.6% over Prior Year*
- *\$52.7 Million Returned through Share Repurchases during Third Quarter*

**Washington, D.C., Oct. 26, 2017** — FTI Consulting, Inc. (NYSE: FCN) today released its financial results for the quarter ended September 30, 2017.

For the quarter, revenues of \$449.0 million increased \$10.9 million, or 2.5%, compared to revenues of \$438.0 million in the prior year quarter. The increase in revenues was primarily driven by higher revenues in the Corporate Finance & Restructuring segment. Third quarter 2017 net income of \$32.2 million increased \$10.5 million, or 48.5% compared to net income of \$21.7 million in the prior year quarter. Adjusted EBITDA was \$57.4 million, or 12.8% of revenues, compared to \$47.2 million, or 10.8% of revenues, in the prior year quarter. The increase in Adjusted EBITDA was due to an increase in higher margin revenues, including success fees, improved utilization, and lower selling, general and administrative expenses. Fully diluted earnings per share (“EPS”) of \$0.85 and Adjusted EPS were \$0.83, compared to EPS and Adjusted EPS of \$0.52 in the prior year quarter. Both EPS and Adjusted EPS were benefited by a lower effective tax rate, which included the benefits of reduced foreign net operating losses and related valuation allowances resulting from intercompany service fees and an increase in the projected mix of lower taxed foreign earnings.

Commenting on these results, [Steven H. Gunby](#), President and Chief Executive Officer of FTI Consulting, said, “We are the leader in many of our practices across the world. This quarter’s results reflect those leadership positions coupled with prudent cost management and the significant progress we have made growing and adding talent in the areas in which we have a right to win.”

#### **Cash Position and Capital Allocation**

Net cash provided by operating activities of \$106.2 million for the three months ended September 30, 2017, compared to \$70.9 million for the three months ended September 30, 2016. The improvement in operating cash flow was due to higher cash collections, lower income tax payments, and the timing of certain operating expenses and payroll.

During the quarter, the Company repurchased 1,599,400 shares of its common stock at an average price of \$32.98 for a total cost of \$52.7 million. As of September 30, 2017, \$26.1 million remained available under the Company’s \$200.0 million share repurchase authorization.

Total debt of \$465.0 million at September 30, 2017, compared to \$475.0 million at September 30, 2016. Cash and cash equivalents were \$158.0 million at September 30, 2017, compared to \$225.2 million at September 30, 2016. Total debt, net of cash, of \$307.0 million at September 30, 2017, compared to \$249.8 million at September 30, 2016.

### **Third Quarter 2017 Segment Results**

#### ***Corporate Finance & Restructuring***

Revenues in the Corporate Finance & Restructuring segment increased \$17.5 million, or 15.8%, to \$128.1 million in the quarter, compared to \$110.6 million in the prior year quarter. Revenues increased primarily due to higher demand for restructuring services globally and an increase in success fees. Adjusted Segment EBITDA was \$26.7 million, or 20.9% of segment revenues, compared to \$17.8 million, or 16.1% of segment revenues, in the prior year quarter. The increase in Adjusted Segment EBITDA was primarily due to higher revenues with improved utilization.

#### ***Forensic and Litigation Consulting***

Revenues in the Forensic and Litigation Consulting segment increased \$3.6 million, or 3.1%, to \$118.6 million in the quarter, compared to \$115.0 million in the prior year quarter. The increase in revenues was primarily due to higher demand for forensic accounting and advisory services and construction solutions offerings, which was partially offset by lower success fees in health solutions. Adjusted Segment EBITDA was \$22.5 million, or 19.0% of segment revenues, compared to \$16.6 million, or 14.4% of segment revenues, in the prior year quarter. The increase in Adjusted Segment EBITDA was primarily due to higher revenues with improved utilization.

#### ***Economic Consulting***

Revenues in the Economic Consulting segment decreased \$10.7 million, or 8.8%, to \$111.8 million in the quarter, compared to \$122.5 million in the prior year quarter. The decrease in revenues was primarily due to lower demand for antitrust and financial economics services in North America. Adjusted Segment EBITDA was \$12.1 million, or 10.8% of segment revenues, compared to \$18.4 million, or 15.0% of segment revenues, in the prior year quarter. The decrease in Adjusted Segment EBITDA was primarily due to lower revenues with lower utilization, which was partially offset by lower compensation costs.

#### ***Technology***

Revenues in the Technology segment decreased \$1.8 million, or 4.1%, to \$42.3 million in the quarter, compared to \$44.1 million in the prior year quarter. The decrease in revenues was primarily driven by lower demand for managed review and lower pricing for hosting services, which was partially offset by higher demand for consulting services. This shift was largely related to the wind down of large cross-border investigations, which was partially offset by increased M&A-related "second request" activity. Adjusted Segment EBITDA was \$6.0 million, or 14.1% of segment revenues, compared to \$7.4 million, or 16.8% of segment revenues, in the prior year quarter. The decrease in Adjusted Segment EBITDA was due to a decline in higher margin hosting-related revenues.

#### ***Strategic Communications***

Revenues in the Strategic Communications segment increased \$2.3 million, or 5.1%, to \$48.2 million in the quarter, compared to \$45.8 million in the prior year quarter. The increase in revenues was primarily driven by an increase in retainer-based revenues, which was partially offset by lower pass-through revenues. Adjusted Segment EBITDA was \$8.1 million, or 16.8% of segment revenues, compared to \$7.5 million, or 16.4% of segment revenues, in the prior year quarter. The increase in Adjusted Segment EBITDA was due to the increase in revenues.

### **2017 Guidance**

The Company revised its full year 2017 guidance for revenues to be between \$1.775 billion and \$1.800 billion. This compares to the previous range of between \$1.775 billion and \$1.875 billion. The

Company reaffirmed full year 2017 guidance for EPS and Adjusted EPS to be between \$1.37 and \$1.67 and \$1.90 and \$2.20, respectively. The variance between EPS and Adjusted EPS guidance is related to the second quarter of 2017 special charge of \$30.1 million, or \$0.52 per share, resulting from headcount reductions, the Company's Washington, D.C., office relocation and other costs related to the disposal or closure of several small international offices.

### **Third Quarter 2017 Conference Call**

FTI Consulting will host a conference call for analysts and investors to discuss third quarter 2017 financial results at 9:00 a.m. Eastern Time on October 26, 2017. The call can be accessed live and will be available for replay over the Internet for 90 days by logging on to the Company's investor relations website [here](#).

### **Investor Day**

FTI Consulting will host an investor day on Monday, November, 13, 2017, from 10:00 a.m. to 2:30 p.m. Eastern Time. Presentations will be presented by members of FTI Consulting's executive committee. The event will take place at 10 on the Park at the Time Warner Center, located at 60 Columbus Circle, New York, NY 10019, and is open to institutional investors and analysts. Visit the Company's Investor Day website [here](#) to RSVP for this event.

### **About FTI Consulting**

FTI Consulting, Inc. 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. With more than 4,600 employees located in 28 countries, FTI Consulting professionals work closely with clients to anticipate, illuminate and overcome complex business challenges and make the most of opportunities. The Company generated \$1.81 billion in revenues during fiscal year 2016. More information can be found at [www.fticonsulting.com](http://www.fticonsulting.com).

### **Use of Non-GAAP 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 GAAP. Certain of these measures are considered "non-GAAP financial measures" under the SEC rules. Specifically, we have referred to the following non-GAAP measures:*

- *Total Segment Operating Income*
- *Adjusted EBITDA*
- *Total Adjusted Segment EBITDA*
- *Adjusted EBITDA Margin/Adjusted Segment 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 below in order to more fully define the components of certain non-GAAP financial measures presented in this earnings release. 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 Adjusted Segment EBITDA Margin as Adjusted Segment EBITDA as a percentage of a segment's revenues.*

*We define Total Adjusted Segment EBITDA, which is a non-GAAP financial measure, as the total of Adjusted Segment EBITDA for all segments, which excludes unallocated corporate expenses. We define Adjusted EBITDA, which is a non-GAAP financial measure, as consolidated net income before income tax provision, other non-operating income (expense), depreciation, amortization of intangible assets, remeasurement of acquisition-related contingent consideration, special charges, goodwill impairment charges and losses on early extinguishment of debt. We define Adjusted EBITDA Margin as Adjusted EBITDA as a percentage of total revenues. We believe that the non-GAAP financial measures, which exclude the effects of remeasurement of acquisition-related contingent consideration, special charges and goodwill impairment charges, when considered together with our GAAP financial results and GAAP 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 measures, considered along with corresponding GAAP measures, provide management and investors with additional information for comparison of our operating results with the operating results of other companies.*

*We define Adjusted Net Income and Adjusted Earnings per Diluted Share ("Adjusted EPS"), which are non-GAAP financial measures, as net income and earnings per diluted share, respectively, excluding the impact of remeasurement of acquisition-related contingent consideration, special charges, goodwill impairment charges and losses on early extinguishment of debt. 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 this non-GAAP financial measure, which excludes the effects of the remeasurement of acquisition-related contingent consideration, special charges, goodwill impairment charges and losses on early extinguishment of debt, when considered together with our GAAP financial results, provides management and investors with an additional understanding of our business operating results, including underlying trends.*

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

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

### **Safe Harbor Statement**

*This press release includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which involve uncertainties and risks. Forward-looking statements include statements concerning our plans, objectives, goals, strategies, future events, future revenues, future results and performance, expectations, plans or intentions relating to acquisitions, share repurchases and other matters, business trends and other information that is not historical, including statements regarding estimates of our future financial results. When used in this press release, words such as "estimates," "expects," "anticipates," "projects," "plans," "intends," "believes," "forecasts" and variations of such*

*words or similar expressions are intended to identify forward-looking statements. All forward-looking statements, including, without limitation, estimates of our future financial results, are based upon our expectations at the time we make them and various assumptions. Our expectations, beliefs and projections are expressed in good faith, and we believe there is a reasonable basis for them. However, there can be no assurance that management's expectations, beliefs and estimates will be achieved, and the Company's actual results may differ materially from our expectations, beliefs and estimates. Further, preliminary results are subject to normal year-end adjustments. The Company has experienced fluctuating revenues, operating income and cash flows in prior periods and expects that this will occur from time to time in the future. Other factors that could cause such differences include declines in demand for, or changes in, the mix of services and products that we offer, the mix of the geographic locations where our clients are located or where services are performed, adverse financial, real estate, fluctuations in the price per share of our common stock, other market and general economic conditions and other future events, which could impact each of our segments differently and could be outside of our control, the pace and timing of the consummation and integration of future acquisitions, the Company's ability to realize cost savings and efficiencies, competitive and general economic conditions, retention of staff and clients, and other risks described under the heading "Item 1A Risk Factors" in the Company's quarterly report on the Form 10-Q for the quarter ended June 30, 2017 filed with the SEC, including the risks set forth under "Risks Related to Our Reportable Segments" and "Risks Related to Our Operations," and in the Company's other filings with the SEC. We are under no duty to update any of the forward-looking statements to conform such statements to actual results or events and do not intend to do so.*

**FINANCIAL TABLES FOLLOW**

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**FTI CONSULTING, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(in thousands)

|   | <b>September 30,<br/>2017</b> | <b>December 31,<br/>2016</b> |
|---|-------------------------------|------------------------------|
|   | <u>(Unaudited)</u>            |                              |
| <b>Assets</b>   |                               |                              |
| <b>Current assets</b>   |                               |                              |
| Cash and cash equivalents   | \$ 157,961                    | \$ 216,158                   |
| Accounts receivable:  |                               |                              |
| Billed receivables  | 415,090                       | 365,385                      |
| Unbilled receivables  | 328,526                       | 288,331                      |
| Allowance for doubtful accounts and unbilled services   | (196,484)                     | (178,819)                    |
| Accounts receivable, net  | <u>547,132</u>                | <u>474,897</u>               |
| Current portion of notes receivable   | 23,924                        | 31,864                       |
| Prepaid expenses and other current assets   | 59,196                        | 60,252                       |
| Total current assets  | <u>788,213</u>                | <u>783,171</u>               |
| Property and equipment, net of accumulated depreciation   | 70,982                        | 61,856                       |
| Goodwill  | 1,204,164                     | 1,180,001                    |
| Other intangible assets, net of amortization  | 46,788                        | 52,120                       |
| Notes receivable, net of current portion  | 106,462                       | 104,524                      |
| Other assets  | 43,984                        | 43,696                       |
| <b>Total assets</b>   | <u><u>\$ 2,260,593</u></u>    | <u><u>\$ 2,225,368</u></u>   |
| <b>Liabilities and Stockholders' Equity</b>   |                               |                              |
| <b>Current liabilities</b>  |                               |                              |
| Accounts payable, accrued expenses and other  | \$ 108,054                    | \$ 87,320                    |
| Accrued compensation  | 232,291                       | 261,500                      |
| Billings in excess of services provided   | 26,521                        | 29,635                       |
| Total current liabilities   | <u>366,866</u>                | <u>378,455</u>               |
| Long-term debt, net   | 461,095                       | 365,528                      |
| Deferred income taxes   | 181,293                       | 173,799                      |
| Other liabilities   | 120,410                       | 100,228                      |
| <b>Total liabilities</b>  | <u>1,129,664</u>              | <u>1,018,010</u>             |
| <b>Stockholders' equity</b>   |                               |                              |
| 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 — 37,941 (2017) and 42,037 (2016) | 379                           | 420                          |
| Additional paid-in capital  | 273,765                       | 416,816                      |
| Retained earnings   | 978,886                       | 941,001                      |
| Accumulated other comprehensive loss  | (122,101)                     | (150,879)                    |
| <b>Total stockholders' equity</b>   | <u>1,130,929</u>              | <u>1,207,358</u>             |
| <b>Total liabilities and stockholders' equity</b>   | <u><u>\$ 2,260,593</u></u>    | <u><u>\$ 2,225,368</u></u>   |

**FTI CONSULTING, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
(in thousands, except per share data)  
(Unaudited)

|   | Three Months Ended<br>September 30, |                  |
|---|-------------------------------------|------------------|
|   | 2017                                | 2016             |
| <b>Revenues</b>   | \$ 448,962                          | \$ 438,042       |
| <b>Operating expenses</b>   |                                     |                  |
| Direct cost of revenues   | 294,851                             | 293,702          |
| Selling, general and administrative expenses                        | 103,909                             | 106,220          |
| Acquisition-related contingent consideration                        | 252                                 | 201              |
| Amortization of other intangible assets                             | 2,882                               | 2,845            |
|   | <u>401,894</u>                      | <u>402,968</u>   |
| <b>Operating income</b>   | <u>47,068</u>                       | <u>35,074</u>    |
| <b>Other income (expense)</b>                                       |                                     |                  |
| Interest income and other   | 1,103                               | 3,213            |
| Interest expense  | (6,760)                             | (6,304)          |
|   | <u>(5,657)</u>                      | <u>(3,091)</u>   |
| <b>Income before income tax provision</b>                           | 41,411                              | 31,983           |
| <b>Income tax provision</b>   | 9,197                               | 10,292           |
| <b>Net income</b>   | <u>\$ 32,214</u>                    | <u>\$ 21,691</u> |
| <b>Earnings per common share — basic</b>                            | <u>\$ 0.86</u>                      | <u>\$ 0.53</u>   |
| <b>Weighted average common shares outstanding — basic</b>           | <u>37,431</u>                       | <u>41,239</u>    |
| <b>Earnings per common share — diluted</b>                          | <u>\$ 0.85</u>                      | <u>\$ 0.52</u>   |
| <b>Weighted average common shares outstanding — diluted</b>         | <u>37,746</u>                       | <u>42,065</u>    |
| <b>Other comprehensive income (loss), net of tax</b>                |                                     |                  |
| Foreign currency translation adjustments, net of tax expense of \$0 | \$ 11,234                           | \$ (4,478)       |
| <b>Total other comprehensive income (loss), net of tax</b>          | <u>11,234</u>                       | <u>(4,478)</u>   |
| <b>Comprehensive income</b>   | <u>\$ 43,448</u>                    | <u>\$ 17,213</u> |

**FTI CONSULTING, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
(in thousands, except per share data)  
(Unaudited)

|   | Nine Months Ended<br>September 30, |                  |
|---|------------------------------------|------------------|
|   | 2017                               | 2016             |
| <b>Revenues</b>   | \$ 1,340,021                       | \$ 1,368,474     |
| <b>Operating expenses</b>   |                                    |                  |
| Direct cost of revenues   | 907,994                            | 902,532          |
| Selling, general and administrative expenses                        | 318,546                            | 318,074          |
| Special charges   | 30,074                             | 6,811            |
| Acquisition-related contingent consideration                        | 1,424                              | 1,541            |
| Amortization of other intangible assets                             | 7,797                              | 8,041            |
|   | <u>1,265,835</u>                   | <u>1,236,999</u> |
| <b>Operating income</b>   | <u>74,186</u>                      | <u>131,475</u>   |
| <b>Other income (expense)</b>                                       |                                    |                  |
| Interest income and other   | 3,300                              | 9,895            |
| Interest expense  | (18,811)                           | (18,836)         |
|   | <u>(15,511)</u>                    | <u>(8,941)</u>   |
| <b>Income before income tax provision</b>                           | <u>58,675</u>                      | <u>122,534</u>   |
| <b>Income tax provision</b>   | <u>17,601</u>                      | <u>44,115</u>    |
| <b>Net income</b>   | <u>\$ 41,074</u>                   | <u>\$ 78,419</u> |
| <b>Earnings per common share — basic</b>                            | <u>\$ 1.05</u>                     | <u>\$ 1.92</u>   |
| <b>Weighted average common shares outstanding — basic</b>           | <u>39,301</u>                      | <u>40,856</u>    |
| <b>Earnings per common share — diluted</b>                          | <u>\$ 1.03</u>                     | <u>\$ 1.88</u>   |
| <b>Weighted average common shares outstanding — diluted</b>         | <u>39,715</u>                      | <u>41,605</u>    |
| <b>Other comprehensive income (loss), net of tax</b>                |                                    |                  |
| Foreign currency translation adjustments, net of tax expense of \$0 | \$ 28,778                          | \$ (23,645)      |
| <b>Total other comprehensive income (loss), net of tax</b>          | <u>28,778</u>                      | <u>(23,645)</u>  |
| <b>Comprehensive income</b>   | <u>\$ 69,852</u>                   | <u>\$ 54,774</u> |



**FTI CONSULTING, INC.**  
**RECONCILIATION OF NON-GAAP FINANCIAL MEASURES**  
(in thousands, except per share data)

|   | Three Months Ended September 30, |                  | Nine Months Ended September 30, |                  |
|---|----------------------------------|------------------|---------------------------------|------------------|
|   | 2017                             | 2016             | 2017                            | 2016             |
|   | (Unaudited)                      |                  | (Unaudited)                     |                  |
| <b>Net income</b>   | \$ 32,214                        | \$ 21,691        | \$ 41,074                       | \$ 78,419        |
| Add back:   |                                  |                  |                                 |                  |
| Special charges   | —                                | —                | 30,074                          | 6,811            |
| Tax impact of special charges   | (832)                            | —                | (9,935)                         | (2,483)          |
| Remeasurement of acquisition-related contingent consideration               | —                                | —                | 702                             | 980              |
| Tax impact of remeasurement of acquisition-related contingent consideration | —                                | —                | (269)                           | (380)            |
| <b>Adjusted Net Income</b>  | <u>\$ 31,382</u>                 | <u>\$ 21,691</u> | <u>\$ 61,646</u>                | <u>\$ 83,347</u> |
| <b>Earnings per common share — diluted</b>                                  | \$ 0.85                          | \$ 0.52          | \$ 1.03                         | \$ 1.88          |
| Add back:   |                                  |                  |                                 |                  |
| Special charges   | —                                | —                | 0.76                            | 0.16             |
| Tax impact of special charges   | (0.02)                           | —                | (0.25)                          | (0.06)           |
| Remeasurement of acquisition-related contingent consideration               | —                                | —                | 0.02                            | 0.02             |
| Tax impact of remeasurement of acquisition-related contingent consideration | —                                | —                | (0.01)                          | -                |
| <b>Adjusted earnings per common share — diluted</b>                         | <u>\$ 0.83</u>                   | <u>\$ 0.52</u>   | <u>\$ 1.55</u>                  | <u>\$ 2.00</u>   |
| <b>Weighted average number of common shares outstanding — diluted</b>       | <u>37,746</u>                    | <u>42,065</u>    | <u>39,715</u>                   | <u>41,605</u>    |

**FTI CONSULTING, INC.**  
**RECONCILIATION OF NET INCOME AND OPERATING INCOME TO ADJUSTED EBITDA**  
(in thousands)

| Three Months Ended September 30, 2017 (Unaudited)             | Corporate Finance &<br>Restructuring | Forensic and<br>Litigation Consulting | Economic Consulting | Technology       | Strategic<br>Communications | Corp HQ            | Total             |
|---|--------------------------------------|---------------------------------------|---------------------|------------------|-----------------------------|--------------------|-------------------|
| <b>Net income</b>   |                                      |                                       |                     |                  |                             |                    | \$ 32,214         |
| Interest income and other                                     |                                      |                                       |                     |                  |                             |                    | (1,103)           |
| Interest expense  |                                      |                                       |                     |                  |                             |                    | 6,760             |
| Income tax provision  |                                      |                                       |                     |                  |                             |                    | 9,197             |
| <b>Operating income</b>                                       | \$ 24,706                            | \$ 21,127                             | \$ 10,524           | \$ 3,002         | \$ 6,536                    | \$ (18,827)        | \$ 47,068         |
| Depreciation and amortization                                 | 811                                  | 1,012                                 | 1,383               | 2,813            | 584                         | 867                | 7,470             |
| Amortization of other intangible assets                       | 1,217                                | 400                                   | 154                 | 158              | 953                         | —                  | 2,882             |
| <b>Adjusted EBITDA</b>  | <u>\$ 26,734</u>                     | <u>\$ 22,539</u>                      | <u>\$ 12,061</u>    | <u>\$ 5,973</u>  | <u>\$ 8,073</u>             | <u>\$ (17,960)</u> | <u>\$ 57,420</u>  |
| <hr/>   |                                      |                                       |                     |                  |                             |                    |                   |
| Nine Months Ended September 30, 2017 (Unaudited)              | Corporate Finance &<br>Restructuring | Forensic and<br>Litigation Consulting | Economic Consulting | Technology       | Strategic<br>Communications | Corp HQ            | Total             |
| <b>Net income</b>   |                                      |                                       |                     |                  |                             |                    | \$ 41,074         |
| Interest income and other                                     |                                      |                                       |                     |                  |                             |                    | (3,300)           |
| Interest expense  |                                      |                                       |                     |                  |                             |                    | 18,811            |
| Income tax provision  |                                      |                                       |                     |                  |                             |                    | 17,601            |
| <b>Operating income</b>                                       | \$ 48,902                            | \$ 34,234                             | \$ 37,034           | \$ 5,874         | \$ 8,308                    | \$ (60,166)        | \$ 74,186         |
| Depreciation and amortization                                 | 2,360                                | 3,217                                 | 4,273               | 9,020            | 1,732                       | 3,166              | 23,768            |
| Amortization of other intangible assets                       | 2,796                                | 1,196                                 | 463                 | 477              | 2,865                       | —                  | 7,797             |
| Special charges   | 3,049                                | 10,445                                | 5,910               | 3,827            | 3,599                       | 3,244              | 30,074            |
| Remeasurement of acquisition-related contingent consideration | —                                    | —                                     | —                   | —                | 702                         | —                  | 702               |
| <b>Adjusted EBITDA</b>  | <u>\$ 57,107</u>                     | <u>\$ 49,092</u>                      | <u>\$ 47,680</u>    | <u>\$ 19,198</u> | <u>\$ 17,206</u>            | <u>\$ (53,756)</u> | <u>\$ 136,527</u> |
| <hr/>   |                                      |                                       |                     |                  |                             |                    |                   |
| Three Months Ended September 30, 2016 (Unaudited)             | Corporate Finance &<br>Restructuring | Forensic and<br>Litigation Consulting | Economic Consulting | Technology       | Strategic<br>Communications | Corp HQ            | Total             |
| <b>Net income</b>   |                                      |                                       |                     |                  |                             |                    | \$ 21,691         |
| Interest income and other                                     |                                      |                                       |                     |                  |                             |                    | (3,213)           |
| Interest expense  |                                      |                                       |                     |                  |                             |                    | 6,304             |
| Income tax provision  |                                      |                                       |                     |                  |                             |                    | 10,292            |
| <b>Operating income</b>                                       | \$ 16,182                            | \$ 14,867                             | \$ 16,888           | \$ 2,869         | \$ 6,006                    | \$ (21,738)        | \$ 35,074         |
| Depreciation and amortization                                 | 698                                  | 1,203                                 | 1,312               | 4,121            | 586                         | 1,390              | 9,310             |
| Amortization of other intangible assets                       | 882                                  | 484                                   | 154                 | 408              | 917                         | —                  | 2,845             |
| <b>Adjusted EBITDA</b>  | <u>\$ 17,762</u>                     | <u>\$ 16,554</u>                      | <u>\$ 18,354</u>    | <u>\$ 7,398</u>  | <u>\$ 7,509</u>             | <u>\$ (20,348)</u> | <u>\$ 47,229</u>  |
| <hr/>   |                                      |                                       |                     |                  |                             |                    |                   |
| Nine Months Ended September 30, 2016 (Unaudited)              | Corporate Finance &<br>Restructuring | Forensic and<br>Litigation Consulting | Economic Consulting | Technology       | Strategic<br>Communications | Corp HQ            | Total             |
| <b>Net income</b>   |                                      |                                       |                     |                  |                             |                    | \$ 78,419         |
| Interest income and other                                     |                                      |                                       |                     |                  |                             |                    | (9,895)           |
| Interest expense  |                                      |                                       |                     |                  |                             |                    | 18,836            |
| Income tax provision  |                                      |                                       |                     |                  |                             |                    | 44,115            |
| <b>Operating income</b>                                       | \$ 76,740                            | \$ 45,005                             | \$ 51,390           | \$ 2,569         | \$ 16,661                   | \$ (60,890)        | \$ 131,475        |
| Depreciation and amortization                                 | 2,175                                | 3,278                                 | 3,172               | 11,901           | 1,602                       | 3,231              | 25,359            |
| Amortization of other intangible assets                       | 2,491                                | 1,519                                 | 492                 | 725              | 2,814                       | —                  | 8,041             |
| Special Charges   | —                                    | 1,750                                 | —                   | 5,061            | —                           | —                  | 6,811             |
| Remeasurement of acquisition-related contingent consideration | —                                    | —                                     | —                   | —                | 980                         | —                  | 980               |
| <b>Adjusted EBITDA</b>  | <u>\$ 81,406</u>                     | <u>\$ 51,552</u>                      | <u>\$ 55,054</u>    | <u>\$ 20,256</u> | <u>\$ 22,057</u>            | <u>\$ (57,659)</u> | <u>\$ 172,666</u> |

**FTI CONSULTING, INC.**  
**OPERATING RESULTS BY BUSINESS SEGMENT**

|  | Segment<br>Revenues | Adjusted<br>EBITDA       | Adjusted EBITDA<br>Margin | Utilization | Average<br>Billable<br>Rate | Revenue-<br>Generating<br>Headcount<br>(at period end) |
|--|---------------------|--------------------------|---------------------------|-------------|-----------------------------|--|
| (in thousands)   |                     |                          |                           |             |                             |  |
| <b>Three Months Ended September 30, 2017 (Unaudited)</b> |                     |                          |                           |             |                             |  |
| Corporate Finance & Restructuring                        | \$ 128,121          | \$ 26,734                | 20.9%                     | 64%         | \$ 390                      | 934  |
| Forensic and Litigation Consulting                       | 118,639             | 22,539                   | 19.0%                     | 63%         | \$ 326                      | 1,080  |
| Economic Consulting                                      | 111,753             | 12,061                   | 10.8%                     | 62%         | \$ 520                      | 688  |
| Technology <sup>(1)</sup>                                | 42,282              | 5,973                    | 14.1%                     | N/M         | N/M                         | 291  |
| Strategic Communications <sup>(1)</sup>                  | 48,167              | 8,073                    | 16.8%                     | N/M         | N/M                         | 626  |
|  | <u>\$ 448,962</u>   | <u>\$ 75,380</u>         | <u>16.8%</u>              |             |                             | <u>3,619</u>   |
| Unallocated Corporate                                    |                     | (17,960)                 |                           |             |                             |  |
| <b>Adjusted EBITDA</b>                                   |                     | <u><u>\$ 57,420</u></u>  | <u>12.8%</u>              |             |                             |  |
| <b>Nine Months Ended September 30, 2017 (Unaudited)</b>  |                     |                          |                           |             |                             |  |
| Corporate Finance & Restructuring                        | \$ 351,509          | \$ 57,107                | 16.2%                     | 61%         | \$ 383                      | 934  |
| Forensic and Litigation Consulting                       | 341,455             | 49,092                   | 14.4%                     | 61%         | \$ 318                      | 1,080  |
| Economic Consulting                                      | 374,978             | 47,680                   | 12.7%                     | 68%         | \$ 519                      | 688  |
| Technology <sup>(1)</sup>                                | 133,935             | 19,198                   | 14.3%                     | N/M         | N/M                         | 291  |
| Strategic Communications <sup>(1)</sup>                  | 138,144             | 17,206                   | 12.5%                     | N/M         | N/M                         | 626  |
|  | <u>\$ 1,340,021</u> | <u>\$ 190,283</u>        | <u>14.2%</u>              |             |                             | <u>3,619</u>   |
| Unallocated Corporate                                    |                     | (53,756)                 |                           |             |                             |  |
| <b>Adjusted EBITDA</b>                                   |                     | <u><u>\$ 136,527</u></u> | <u>10.2%</u>              |             |                             |  |
| <b>Three Months Ended September 30, 2016 (Unaudited)</b> |                     |                          |                           |             |                             |  |
| Corporate Finance & Restructuring                        | \$ 110,617          | \$ 17,762                | 16.1%                     | 61%         | \$ 379                      | 904  |
| Forensic and Litigation Consulting                       | 115,045             | 16,554                   | 14.4%                     | 57%         | \$ 330                      | 1,145  |
| Economic Consulting                                      | 122,480             | 18,354                   | 15.0%                     | 69%         | \$ 534                      | 647  |
| Technology <sup>(1)</sup>                                | 44,072              | 7,398                    | 16.8%                     | N/M         | N/M                         | 298  |
| Strategic Communications <sup>(1)</sup>                  | 45,828              | 7,509                    | 16.4%                     | N/M         | N/M                         | 624  |
|  | <u>\$ 438,042</u>   | <u>\$ 67,577</u>         | <u>15.4%</u>              |             |                             | <u>3,618</u>   |
| Unallocated Corporate                                    |                     | (20,348)                 |                           |             |                             |  |
| <b>Adjusted EBITDA</b>                                   |                     | <u><u>\$ 47,229</u></u>  | <u>10.8%</u>              |             |                             |  |
| <b>Nine Months Ended September 30, 2016 (Unaudited)</b>  |                     |                          |                           |             |                             |  |
| Corporate Finance & Restructuring                        | \$ 369,915          | \$ 81,406                | 22.0%                     | 68%         | \$ 388                      | 904  |
| Forensic and Litigation Consulting                       | 352,242             | 51,552                   | 14.6%                     | 60%         | \$ 329                      | 1,145  |
| Economic Consulting                                      | 371,217             | 55,054                   | 14.8%                     | 74%         | \$ 516                      | 647  |
| Technology <sup>(1)</sup>                                | 134,235             | 20,256                   | 15.1%                     | N/M         | N/M                         | 298  |
| Strategic Communications <sup>(1)</sup>                  | 140,865             | 22,057                   | 15.7%                     | N/M         | N/M                         | 624  |
|  | <u>\$ 1,368,474</u> | <u>\$ 230,325</u>        | <u>16.8%</u>              |             |                             | <u>3,618</u>   |
| Unallocated Corporate                                    |                     | (57,659)                 |                           |             |                             |  |
| <b>Adjusted EBITDA</b>                                   |                     | <u><u>\$ 172,666</u></u> | <u>12.6%</u>              |             |                             |  |

N/M - Not meaningful

<sup>(1)</sup> The majority of the Technology and Strategic Communications segments' revenues are not generated based on billable hours. Accordingly, utilization and average billable rate metrics are not presented as they are not meaningful as a segment-wide metric.

**FTI CONSULTING, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(in thousands)  
(Unaudited)

|   | Nine months ended<br>September 30, |                   |
|---|------------------------------------|-------------------|
|   | 2017                               | 2016              |
| <b>Operating activities</b>   |                                    |                   |
| Net income  | \$ 41,074                          | \$ 78,419         |
| Adjustments to reconcile net income to net cash provided by operating activities: |                                    |                   |
| Depreciation and amortization   | 23,768                             | 25,359            |
| Amortization and impairment of other intangible assets                            | 7,797                              | 8,041             |
| Acquisition-related contingent consideration                                      | 1,547                              | 1,541             |
| Provision for doubtful accounts   | 10,510                             | 5,903             |
| Non-cash share-based compensation   | 12,888                             | 13,381            |
| Non-cash interest expense   | 1,489                              | 1,489             |
| Other   | 297                                | (1,159)           |
| Changes in operating assets and liabilities, net of effects from acquisitions:    |                                    |                   |
| Accounts receivable, billed and unbilled  | (72,640)                           | (67,318)          |
| Notes receivable  | 8,449                              | (3,674)           |
| Prepaid expenses and other assets   | 935                                | (3,575)           |
| Accounts payable, accrued expenses and other                                      | 16,823                             | 10,900            |
| Income taxes  | 8,876                              | 28,204            |
| Accrued compensation  | (34,123)                           | 4,486             |
| Billings in excess of services provided   | (3,657)                            | 9,578             |
| <b>Net cash provided by operating activities</b>                                  | <b>24,033</b>                      | <b>111,575</b>    |
| <b>Investing activities</b>   |                                    |                   |
| Payments for acquisition of businesses, net of cash received                      | (8,929)                            | (56)              |
| Purchases of property and equipment   | (20,021)                           | (22,855)          |
| Other   | 74                                 | 74                |
| <b>Net cash used in investing activities</b>                                      | <b>(28,876)</b>                    | <b>(22,837)</b>   |
| <b>Financing activities</b>   |                                    |                   |
| Borrowings under revolving line of credit, net                                    | 95,000                             | (25,000)          |
| Deposits  | 3,585                              | 2,806             |
| Purchase and retirement of common stock   | (155,285)                          | (2,903)           |
| Net issuance of common stock under equity compensation plans                      | (2,354)                            | 18,394            |
| Other   | (79)                               | 357               |
| <b>Net cash used in financing activities</b>                                      | <b>(59,133)</b>                    | <b>(6,346)</b>    |
| Effect of exchange rate changes on cash and cash equivalents                      | 5,779                              | (6,968)           |
| Net increase (decrease) in cash and cash equivalents                              | (58,197)                           | 75,424            |
| Cash and cash equivalents, beginning of period                                    | 216,158                            | 149,760           |
| Cash and cash equivalents, end of period  | <u>\$ 157,961</u>                  | <u>\$ 225,184</u> |