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

FORM 10-K

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

For the fiscal year ended December 31, 2023
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**

Securities registered pursuant to section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

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

The aggregate market value of the voting and non-voting common stock held by non-affiliates of the registrant was $5.0 billion, based on the closing sales price of the registrant's common stock on June 30, 2023, the last business day of the registrant's most recently completed second fiscal quarter.

The number of shares of the registrant's common stock outstanding as of February 15, 2024 was 35,533,336.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of our definitive Proxy Statement to be filed with the U.S. Securities and Exchange Commission within 120 days after the end of our 2023 fiscal year are incorporated by reference into Part III of this Annual Report on Form 10-K to the extent stated herein.

FTI CONSULTING, INC. AND SUBSIDIARIES
Annual Report on Form 10-K
Fiscal Year Ended December 31, 2023

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FTI CONSULTING, INC.

PART I

Forward-Looking Statements

This Annual Report on Form 10-K (the "Annual Report") 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, processes 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, including relating to new and emerging technologies, such as artificial intelligence ("AI") and machine learning 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. 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. There can be no assurance that management's plans, performance, expectations, intentions, aspirations, beliefs, goals, estimates, forecasts and projections, including any that are ESG- or other sustainability-related, will result or be achieved, and 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 Annual Report. Important factors that could cause our actual results to differ materially from the forward-looking statements we make in this Annual Report include those set forth under the heading "Risk Factors" in Part I, Item 1A of this Annual Report, as well as in other information that we file with the Securities and Exchange Commission (the "SEC") from time to time. All forward-looking statements attributable to us or persons acting on our behalf apply only as of the date of this Annual Report 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 1. BUSINESS

Unless otherwise indicated or required by the context, when we use the terms "Company," "FTI Consulting," "we," "us" and "our," we mean FTI Consulting, Inc., a Maryland corporation, and its consolidated subsidiaries.

Company Overview

General

FTI Consulting 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:

- Corporate Finance & Restructuring ("Corporate Finance");
- Forensic and Litigation Consulting ("FLC");
- Economic Consulting;
- Technology; and

- Strategic Communications.

We work closely with our clients to help them anticipate and overcome complex business challenges and make the most of opportunities arising from factors such as the economy, financial and credit markets, governmental legislation and regulation, and litigation. We provide our clients with expert advice and solutions involving business transformation, strategy, transactions, turnaround & restructuring, construction, projects, assets & environmental solutions, data & analytics, disputes, healthcare risk management & advisory, risk and investigations, antitrust & competition economics, financial economics, international arbitration, corporate legal department consulting, electronic discovery (or “e-discovery”) services and expertise, information governance, privacy & security services, corporate reputation, financial communications and public affairs. Our experienced professionals are acknowledged leaders in their chosen field not only for their level of knowledge and understanding, but for their ability to structure practical workable solutions to complex issues and real-world problems. Our clients include Fortune 500 corporations, FTSE 100 companies, global banks, major law firms, leading private equity firms and local, state and national governments and agencies around the globe. In addition, major United States (“U.S.”) and international law firms refer us or engage us directly or on behalf of their clients. We believe clients retain us because of our recognized expertise and capabilities in highly specialized areas, as well as our reputation for successfully meeting our clients’ needs.

Our operations span the globe encompassing locations within: (i) the Americas, including 42 U.S. offices located in 22 states and Washington, D.C., and four offices located in Canada; (ii) Latin America, including six offices located in Argentina, Brazil, Colombia, Mexico, and the British Oversees Territories of the Cayman Islands and the Virgin Islands; (iii) Asia Pacific, including 16 offices located in Australia, China (including Hong Kong), India, Indonesia, Japan, Malaysia, Singapore and South Korea; and (iv) Europe, Middle East and Africa, including 35 offices located in Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Netherlands, Qatar, Saudi Arabia, South Africa, Spain, Switzerland, United Arab Emirates and the United Kingdom (“U.K.”). In certain jurisdictions, our segments and practices are operated through one or more direct or indirect subsidiaries.

We derive the majority of our revenues from providing professional services to clients in the U.S. For the year ended December 31, 2023, we derived approximately 63% and 37% of our consolidated revenues from the work of professionals who are assigned to locations inside and outside the U.S., respectively. Seasonal factors, such as the timing of our employees’ and clients’ vacations and holidays, may impact the timing of our revenues across our segments.

Summary Financial and Other Information

The following table sets forth the percentage of consolidated revenues for the last two years contributed by each of our five reportable segments.

	Year Ended December 31,	
	2023	2022
Corporate Finance & Restructuring [(1)]	39 %	38 %
Forensic and Litigation Consulting [(1)]	19 %	19 %
Economic Consulting	22 %	23 %
Technology	11 %	11 %
Strategic Communications	9 %	9 %
Total	100 %	100 %

(1) Effective July 1, 2023, prior period segment information for the Corporate Finance and FLC segments has been recast in this Annual Report to include the reclassification of the portion of the Company’s health solutions practice in the FLC segment to our realigned business transformation practice within our Corporate Finance segment.

The following table sets forth the number of offices and countries in which each segment operates, as well as the number of revenue-generating professionals in each of our reportable segments.

	December 31,		December 31,	
	2023		2023	2022
	Offices	Countries [1]	Billable Headcount	Billable Headcount
Corporate Finance & Restructuring [2]	70	26	2,215	2,100
Forensic and Litigation Consulting [2]	68	19	1,447	1,430
Economic Consulting	47	19	1,089	1,007
Technology	43	18	628	556
Strategic Communications	42	22	971	970
Total			6,350	6,063

(1) "Countries" include the British Overseas Territories of the Cayman Islands and Virgin Islands

(2) Effective July 1, 2023, prior period segment information for the Corporate Finance and FLC segments has been recast in this Annual Report to include the reclassification of the portion of the Company's health solutions practice in the FLC segment to our realigned business transformation practice within our Corporate Finance segment.

Our Reportable Segments

The Company is organized into five reportable segments, each of which seeks to be a global leader in its own right by serving as a trusted advisor when our clients are presented with challenging issues and the risks are high.

Corporate Finance & Restructuring

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, governments and other financing sources and creditor groups, as well as other parties-in-interest. We deliver a wide range of services centered around four core offerings: Business Transformation, Strategy, Transactions and Turnaround & Restructuring.

In 2023, our Corporate Finance segment offered the following services:

Business Transformation. We provide independent business transformation expertise to help drive change across the enterprise, enhance performance, build sustainable growth and value and foster a culture of excellence, including the following offerings:

- Enterprise Transformation
- Office of the Chief Financial Officer & Finance Transformation
- People & Change
- Revenue & Operations
- Technology Transformation

Strategy. Our FTI Delta strategy offering delivers tangible value throughout the entire strategy-to-execution journey for top-tier corporations, private equity and debt investors, mid-market companies and governments from our industry-specialized strategy practice, including the following offerings:

- Commercial Diligence
- Commercial Excellence
- Cost Transformation
- Merger & Acquisition ("M&A") Strategy
- Organization and Governance

- Product Innovation and Research & Development

Transactions. We provide services that help clients strategize, structure, conduct diligence, integrate, carve-out, value and communicate around business transactions, including the following offerings:

- Diligence (Financial, Tax, HR, IT, Synergy and Regulatory)
- Fairness and Solvency Opinions
- Investment Banking
- Merger Integration & Carve-Out Advisory
- Strategic Alternatives
- Valuation

Turnaround & Restructuring. We provide advisory services to help our clients stabilize finances and operations to reassure debtors, creditors and other stakeholders that proactive steps are being taken to preserve and enhance value, including the following offerings:

- Company Advisory
- Contentious Insolvency
- Creditor Advisory
- Dispute Advisory & Litigation Support
- Interim Management

Forensic and Litigation Consulting

Our FLC segment provides law firms, companies, boards of directors, government entities, private equity firms and other interested parties with a multidisciplinary and independent range of services across risk and investigations and disputes, supported by our data & analytics technology-enabled solutions, with a focus on highly regulated industries. Our services are centered around five core offerings: Construction, Projects & Assets and Environmental Solutions, Data & Analytics, Disputes, Healthcare Risk Management & Advisory and Risk and Investigations.

In 2023, our FLC segment offered the following services:

Construction, Projects, Assets & Environmental Solutions ("Construction Solutions"). We provide dispute resolution, advisory & transformation services that address the strategic, financial, operational, regulatory, and capital needs of complex construction & environmental projects, programs, liabilities, and physical asset management for organizations across multiple industries, and help organizations address environmental programmatic challenges and liability-related issues. Our key services include the following offerings:

- Environmental Cost & Damages Analyses
- Environmental Dispute Resolution
- Expert Services in Delay, Disruption, Quantum & Damages
- Project Delivery and Asset Management Advisory & Transformation
- Technology Enablement, Data Intelligence & Construction Analytics

Data & Analytics. We provide in-depth analysis of large, disparate sets of financial, operational and transactional data, often when our clients are faced with a regulatory inquiry or a dispute. We provide strategic business solutions, including custom application and software development, to solve critical client needs. Our professionals, who include computer scientists, Ph.D data scientists, mathematicians, business and finance experts, work together with industry, regulatory, legal and other experts. Our key services include the following offerings:

- Anti-corruption, Anti-money Laundering, Sanctions and Fraud Investigations

- Data Strategy, Governance and Reconciliation
- Data Visualization, Process Improvement and Business Intelligence Solutions
- Dispute Resolution
- Machine Learning and Other AI Solutions
- Remediation and Settlement Administration

Disputes. We provide courts and tribunals, parties to disputes, and their legal counsel clear, reliable and objective advice on matters within our expertise, from discovery and investigation to expert witness testimony and damage quantification in international arbitration and dispute resolution consulting. We support our global clients with disputes of all kinds, including the following offerings:

- Claims in International Public Law
- Complex Commercial and Regulatory Disputes
- Energy-related Disputes
- Financial Products and Broker-dealer Disputes
- Insurance-related Disputes
- Intellectual Property
- Labor and Employment

Healthcare Risk Management & Advisory. We work with healthcare providers, healthcare payers, life sciences companies, and law firms to discern solutions that address business risks and advise and prepare our clients for both short-term and future strategic, operational, data and technological, financial and legal challenges. Our key services include the following offerings:

- Disputes and Investigations
- Financial Advisory
- Managed Care & Value Based Care
- Risk, Regulatory & Quality

Risk and Investigations. We provide compliance, investigative, litigation consulting and remediation expertise on a wide range of investigations to boards of directors, executive management, in-house counsel and their outside legal advisors at law firms. Our experts conduct investigations over a wide scope of issues and allegations, including the following offerings:

- Accounting Advisory & Restatements
- Anti-Bribery & Corruption Investigations
- Anti-Money Laundering Investigations
- Cybersecurity
- Environmental, Social and Governance (“ESG”) & Sustainability
- Export Controls, Sanctions & Trade
- Financial Regulatory Investigations
- Foreign Corrupt Practices Act (“FCPA”) Violations
- Forensic Accounting & Fraud Investigations
- Monitorships

Economic Consulting

Our Economic Consulting segment, including subsidiary Compass Lexecon LLC ("Compass Lexecon"), 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.

In 2023, our Economic Consulting segment offered the following services:

Antitrust & Competition Economics. We perform sophisticated economic analyses and provide expert testimony on international and regulatory antitrust and competition proceedings, practices and litigation, including the following offerings:

- M&A-related Antitrust
- Non-M&A-related Antitrust

Financial Economics. We perform sophisticated economic analysis and modeling of issues and provide expert testimony relating to transactions, commercial disputes, regulatory proceedings and a wide range of securities litigation to regulated and unregulated industries and government regulators, including the following offerings:

- Contractual Claims
- Rate Setting
- Securities Litigation & Risk Management
- Transfer Pricing
- Valuation

International Arbitration. We work with companies, governments and members of the international bar to provide independent advice and expert testimony relating to business valuations and economic damages in a wide variety of commercial and treaty disputes before international arbitration tribunals, including the following offerings:

- Business Valuations
- Commercial and Treaty Disputes
- Economic Damages
- Litigation Support

Technology

Our Technology segment provides companies, law firms, private equity firms and government entities with a comprehensive global portfolio of digital insights and risk management consulting services. Our professionals help organizations better address risk as the growing volume and variety of enterprise and emerging data intersects with legal, regulatory and compliance needs. We deliver a wide range of expert and analytics-powered solutions driven by investigations, litigation, antitrust and competition, M&A, restructuring and compliance and risk through three core offerings: Corporate Legal Department Consulting, E-discovery Services and Expertise, and Information Governance, Privacy & Security Services.

In 2023, our Technology segment offered the following services:

Corporate Legal Department Consulting. We help companies streamline and optimize legal operations through expertise and technology, including the following offerings:

- Advisory on Governance, Policy, Standards and Execution
- Advisory on Operational Efficiencies
- Contract Services
- Legal Technology Selection and Implementation

- Subscriptions and Managed Services

E-discovery Services and Expertise. We provide services that help companies more efficiently manage complex and evolving data collection and discovery amid a rapidly evolving landscape of new data sources and types, including the following offerings:

- Analytics Research
- AI & Data Analytics
- Blockchain Advisory Services
- Cryptocurrency Disputes and Investigations
- Digital Asset Advisory Services
- E-discovery and Data Compliance Management
- Emerging Data Sources Discovery and Governance
- Investigations and Digital Forensics
- Managed Document Review and Production
- M&A-related Second Requests

Information Governance, Privacy & Security Services. We help clients manage emerging data, navigate their evolving regulatory and privacy obligations, including AI, prepare for and respond to external threats, decrease storage costs, remediate and secure corporate data, enable faster and deeper insight into data, and provide expert testimony to defend corporate data management processes, including the following offerings:

- Data Privacy Program Development and Implementation
- Data Remediation, Disposition and Protection
- Data Subject Access Requests
- Migration of Enterprise Data to Cloud Applications
- Pixel, Ad Tracker and AdTech Services
- Post Data Breach Privacy Analysis and Response
- Regulatory Readiness Advisory and Implementation

Strategic Communications

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.

In 2023, our Strategic Communications segment offered the following services:

Corporate Reputation. We design and provide communications to protect and enhance business reputations, build organizations' public profiles and support their business outcomes, including the following offerings:

- Crisis & Issues Management
- Cybersecurity & Data Privacy Communications
- Digital, Analytics & Insights
- ESG & Sustainability
- Litigation Communications

- People & Transformation

Financial Communications. We design and provide communications strategies to help business leaders deliver consistent and credible narratives to raise capital, engage with investors and navigate transitional business events, including the following offerings:

- Corporate Governance & Shareholder Activism
- M&A Communications
- Restructuring & Financial Issues

Public Affairs. We combine public policy, capital markets and sector-specific expertise to offer unique insights for clients operating at the critical intersection between business and government, including the following offerings:

- Government Investigations
- Government Relations
- Public Affairs Research & Opinion Polling
- Public Affairs Strategy
- Public Policy Advocacy

Our Industry Specializations

We employ professionals across our segments and practices who are qualified to provide our core services plus a range of specialized consulting services and solutions that address the strategic, reputational, operational, financial, regulatory, legal and other needs of specific industries. The major industry groups that we service include:

- Aerospace & Defense
- Airlines & Aviation
- Blockchain & Digital Assets
- Chemicals
- Construction & Environmental
- Energy
- Financial Services
- Food & Agriculture
- Healthcare & Life Sciences
- Hospitality, Gaming & Leisure
- Industrials & Automotive
- Insurance
- Mining
- Private Equity
- Power, Renewables & Energy Transition
- Public Sector & Government Contracts

- Real Estate
- Retail & Consumer Products
- Telecom, Media & Technology
- Transportation & Logistics

Our Business Drivers

Material factors that drive demand for our business offerings include:

- ***Artificial Intelligence and Other New and Emerging Technologies.*** We have identified AI and other new and emerging technologies as future growth engines for FTI Consulting. We currently offer AI-related consulting as a service to clients and are actively investigating other opportunities. We also incorporate AI, machine learning and other new technologies to perform certain of the other services that we currently offer. We have been making judicious investments to refine our strategy, develop new services, identify opportunities, improve our performance and client satisfaction, and otherwise benefit our clients. Our segments employ specialists in AI and other developing technologies who provide specialized services and expertise. We believe that demand for AI, machine learning and other innovative technology-related consulting services will continue to grow as the development of AI and other technologies progress, investment increases, markets expand, products and applications develop, innovation continues, technology matures, acceptance rises, regulation advances, and ethical and similar issues are addressed. We believe that organizations will seek out expertise like ours to improve workflow and outcomes.
- ***Developing Markets***. The growth and continuation of multinational companies and global consolidation can precipitate antitrust and competition scrutiny and the spread internationally of issues and practices that historically have been more common in the U.S., such as increased and complex litigation, corporate restructuring and bankruptcy activities, and antitrust and competition scrutiny. Companies in the developing world and multinational companies can benefit from our expert advice to access capital and business markets, comply with the regulatory and other requirements of multiple countries, structure transactions and conduct due diligence, which drives demand for services across all of our segments.
- ***Emerging Data, Including Cloud-Based Collaboration and Communications Platforms.*** New and disparate communication systems, built on the cloud to enable easier access for global and mobile workforces, present new challenges for organizations to control, understand, manage and remediate their data. These emerging data systems were not designed to support discovery or investigations, yet regulators and the courts have made clear that if emerging data contains relevant information, it should be collected and produced or the company is at risk of spoliation and fines. Organizations need a broad range of services like ours to ensure that emerging data is governed in accordance with global regulations and security best practices, and incorporated into normal legal and regulatory processes.
- ***Financial Markets***. Financial market factors, including credit and financing availability, terms and conditions, the willingness of financial institutions to provide debt modifications or relief, corporate debt levels, default rates, capital markets transactions, increased consolidation and the growth of non-traditional currencies and related exchanges are significant drivers of demand for our business offerings, particularly our Corporate Finance segment.
- ***Litigation and Disputes***. Litigation and business disputes, the complexity of the issues presented, and the amount of potential damages and penalties drive demand for the services offered by many of our segments, particularly our FLC, Economic Consulting and Technology segments. Law firms and their clients, as well as government regulators and other interested third parties, rely on independent outside resources to evaluate claims and data, facilitate discovery, assess damages, provide expert reports and testimony, manage the pre-trial and in-trial process, and effectively present evidence.
- ***M&A Activity***. M&A activity is an important driver for all of our segments. We offer services across all phases of the M&A life cycle. Our services during the pre-transaction phase include government competition advice and pre-transaction analysis. Our services during the negotiation phase include due diligence, negotiation and other transaction advisory services, government competition and antitrust regulation services, expert witness testimony, asset valuations and financial communications advice. Our services following the close of a transaction include post-M&A integration, transformation and disputes services.
- ***Operational Challenges and Opportunities***. Operational challenges and opportunities drive demand for services across all of our segments. Businesses facing challenges require the evaluation and re-evaluation of strategy, risks and

opportunities. Businesses seek our enterprise transformation services in the normal course when they want expert advice to increase profitability or as a result of crisis-driven situations, competition, regulation, innovation and other events that arise in the course of business. These challenges include enterprise risk management, global expansion, competition from established companies, emerging businesses and technologies, doing business in emerging markets, and new and changing regulatory requirements and legislation. Management, companies and their boards need outside help to recognize, understand and evaluate such events and effect change, which drives demand for independent expertise that can combine general business acumen with the specialized technical expertise of our service offerings and industry expertise.

- ***Regulatory Complexity, Public Scrutiny and Investigations***. Regulatory complexity, public scrutiny and investigations drive demand for services across all of our segments. Increasingly complex global regulations and legislation, greater scrutiny of corporate governance, instances of corporate malfeasance, and more stringent and complex reporting requirements drive demand for our service offerings. The need to understand and address the impact of regulation and legislation, as well as the increasing costs of doing business, including the growing number of differing data sources maintained throughout the enterprise, has prompted companies to focus on better assessing and managing risks and opportunities. In addition, boards of directors, audit committees and independent board committees have been increasingly tasked with conducting internal investigations of financial wrongdoing, regulatory non-compliance and other issues. These factors and laws, such as the Sarbanes-Oxley Act and the Dodd-Frank Wall Street Reform and Consumer Protection Act in the U.S., have contributed to the demand for independent consultants and experts to investigate and provide analyses to support the work of outside legal counsel, accountants and other advisors. These types of investigations also increasingly demand the use of multiple disciplinary service offerings like ours, which combine skills and capabilities across segments and practices with industry expertise.

Our Competitive Strengths

We compete primarily on the basis of the breadth of our services, the quality of our work, the prominence of our professionals, our geographic reach, our reputation and performance record, our specialized industry expertise and our strong client relationships. We believe our success is driven by a combination of long-standing competitive strengths, including:

- ***Pre-eminent Positions and Professionals***. We believe that we have pre-eminent market positions and professionals. During 2023, the awards and recognitions received by the Company include the following:
    - FTI Consulting and Compass Lexecon led the *Who's Who Legal Arbitration: Expert Witnesses* for the 14th consecutive year with 74 experts recognized.
    - FTI Consulting named to *Forbes* magazine's list of America's Best Management Consulting Firms for the eighth consecutive year, recognized in 15 sectors and functional areas.
    - FTI Consulting recognized as Consulting Firm of the Year by *Who's Who Legal* for the seventh consecutive year.
    - FTI Consulting ranked #1 and its subsidiary Compass Lexecon ranked #3 on *Global Arbitration Review*'s GAR 100 Expert Witness Firms' Power Index.
    - Compass Lexecon was named Competition Economics Firm of the Year by *Who's Who Legal* for the ninth year in 2023, with 67 experts recognized in its 2023 Competition Guide.
    - FTI Consulting named a Best Firm to Work For by *Consulting* magazine for the sixth consecutive year.
    - FTI Consulting named to *Forbes* magazine's lists of America's Best Employers for Women and for New Graduates for the second consecutive year.
    - FTI Consulting named to *Forbes* magazine's list of America's Best Employers for New Graduates, for the second consecutive year.
    - FTI Consulting named Global Turnaround Consulting Firm of the Year and Americas Public Relations Firm of the Year by *Global M&A Network*.
    - FTI Consulting recognized as a leading firm in the *Chambers Litigation Support 2023 Chambers Crisis and Risk Management 2023* and *Chambers FinTech 2023* guides.
    - FTI Consulting ranked #1 U.S. Restructuring Advisor by *The Deal* for the 16th consecutive year.

    - FTI Consulting recognized as Cybersecurity Public Relations Agency of the Year by Cybersecurity Excellence Awards for the third consecutive year.

- ***Diversified Service Offerings***. Our five reportable segments offer a diversified portfolio of practices providing services across our four geographic regions. Our broad range of practices and services, the diversity of our revenue streams, our specialized industry expertise and our global reach distinguish us from our competitors. This diversity helps to mitigate the impact of economic cycles, crises, events and changes in a particular practice, industry or country.

- ***Diversified Portfolio of Elite Clients***. We provide services to a diverse group of clients, including Fortune 500 companies, FTSE 100 companies, global financial institutions, banks, private equity funds and local, state and national governments and agencies in the U.S. and other countries. Additionally, 98 of the top 100 law firms as ranked by American Lawyer Global 100 Most Revenue List refer or engage us directly or on behalf of numerous clients on multiple matters. We are also an advisor to 83 of the Fortune 100 companies, 38 of the world's top 50 bank holding companies and 64 of the top 100 private equity firms on the Private Equity International 300 list.

- ***Demand for Integrated Solutions and a Consultative Approach***. Our breadth and depth of practice and service offerings combined with our deep industry expertise and global footprint drive demand from clients that seek our unique cross-segment and cross-region client solutions when they are facing their most significant challenges and opportunities: event-driven occurrences, reputational issues, antitrust issues, liquidity issues, investigations and disputes, and transactions across different jurisdictions.

- ***Strong Cash Flows***. Our business model has several characteristics that produce consistent cash flows. Our strong cash flows support business operations, capital expenditures and our ability to service our indebtedness and pursue our growth and other strategies.

Our Business Strategy

We build client relationships based on the quality of our services, our brand and the reputation of our professionals. We provide diverse complementary services to meet our clients' needs around the world. We emphasize client service and satisfaction. We aim to build strong brand recognition. The following are key elements of our business strategy:

- ***Leverage Our Practitioners' and Businesses' Expertise, Geographic Reach, Diverse Service Offerings and Client Relationships***. We work hard to maintain and strengthen our core practices and competencies. We believe that our recognized expertise, geographic reach, diverse service offerings and client relationships, coupled with our successful track record of serving as a trusted advisor for our clients when they are facing their greatest challenges and opportunities, are the most critical elements in a decision to retain us. Many of our professionals are recognized experts in their respective fields.

- ***Grow Organically***. Our strategy is to identify where we are best positioned to help our clients solve their most complex issues, invest behind those positions and leverage that success to grow organically.

- ***Strategic Acquisitions***. We consider strategic and opportunistic acquisition opportunities on a selective basis. We seek to integrate completed acquisitions and manage investments in a way that fosters organic growth, expands our geographic presence or complements our segments, services and industry positions. We typically structure our acquisitions to retain the services of key individuals from the acquired companies.

- ***Profitable Growth***. We endeavor to leverage our investments to build positions that will support profitable growth on a sustained basis through a variety of economic conditions.

- ***Enhance Value through Capital Allocation***. The strength of our balance sheet gives us the flexibility to allocate capital and create shareholder value in numerous ways, including investments in organic growth, share repurchases and acquisitions, among other capital allocation vehicles.

- ***Marketing***. We rely primarily on our senior professionals to identify and pursue business opportunities. Referrals from clients, law firms and other intermediaries and our reputation from prior engagements are also key factors in securing new business. Our professionals often learn about new business opportunities from their frequent contact and close working relationships with clients. In marketing our services, we emphasize our experience, the quality of our services and our professionals' particular areas of expertise, as well as our ability to quickly staff large engagements across multiple jurisdictions. While we aggressively seek new business opportunities, we maintain high professional standards and carefully evaluate potential new client relationships and engagements before accepting them.

Human Capital Resources

At FTI Consulting, we seek to provide the highest quality services to our clients. We do this by attracting and retaining experts in their fields, empowering a diverse and inclusive global workforce, providing opportunities for advancement and personal growth, and supporting the communities in which we do business. As of December 31, 2023, we employed 7,990 employees, of which 6,350 were revenue-generating professionals. We also engage independent contractors, who provide services to FTI Consulting to supplement our professionals on client engagements as needed.

We advance the best interests of all our stakeholders through:

- ***Attracting and Retaining Highly Qualified Professionals.*** Our professionals are crucial to delivering our services to clients and generating new business. Through our substantial staff of highly qualified professionals, we can handle a large number of complex global assignments simultaneously. To attract and retain highly qualified professionals, we offer various compensation opportunities, including sign-on bonuses, loans (including forgivable loans), retention bonuses, and incentive pay opportunities, along with a competitive benefits package and the opportunity to work on challenging global engagements with highly skilled peers.

- ***Experts-Driven Model.*** Our professionals include Ph.Ds, MBAs, JDs, CPAs, CPA-ABVs (CPAs accredited in business valuations), CPA-CFFs (CPAs certified in financial forensics), CRAs (certified risk analysts), Certified Turnaround Professionals, Certified Insolvency and Reorganization Advisors, Certified Fraud Examiners, ASAs (accredited senior appraisers), construction engineers and former senior government officials.

- ***Inclusive and High-Performing Culture.*** We foster a culture where our professionals can grow their careers and achieve their full potential. We are dedicated to recruiting, employing and maintaining a diverse and inclusive workforce. As a global multi-cultural company, our talent and retention initiatives are designed to provide opportunities across genders, races, nationalities and sexual orientations. We believe that a workforce that reflects the myriad identities of our clients and vendors with whom we do business, our stakeholders and the populations of the regions in which we have operations improves the quality of our services, promotes employee satisfaction and retention, attracts a qualified workforce and increases the overall value of our business. We also hire and strive to retain professionals with the diverse set of qualities, backgrounds and expertise that our clients and teams need. We offer robust Diversity, Inclusion & Belonging programs and training opportunities to our employees across the globe at every level, including, among others, the FTI Women's Initiative Network (FTI WIN), Pride Network, Asian Diversity Network, Hispanic/Latinx Organization for Leadership & Advancement (HOLA) and Black Employee Network (BEN). These programs are open to participation by all employees regardless of race and gender. Our recruitment and employment practices are designed to comply with the applicable laws of the jurisdictions in which we conduct those activities.

- ***Talent Development.*** We support the development of our professionals at all levels of their careers. Our robust Talent Development program includes induction programs for new hires, milestone programs to prepare promotes for success in their new roles and leadership readiness programs to help our people build the skills needed to advance to our most senior positions. These training programs are further supplemented by self-directed e-learning programs, among other segment-level talent development and training opportunities.

- ***Corporate Citizenship.*** We practice responsible corporate citizenship to drive positive change in the communities in which we do business. All full-time FTI Consulting employees are eligible to participate in our Corporate Citizenship program, which includes charitable gift matching, paid time off for volunteering and corporate-sponsored pro bono engagements.

Employment Agreements, Incentive, Retention and Sign-on Payments

We have written employment agreements with substantially all of our 768 Senior Managing Directors and equivalent personnel (collectively, "SMDs") that set forth their terms and conditions of service and compensation opportunities. These written employment agreements can, but are not required to include, incentive compensation opportunities that may take the form of cash, equity or loans (including forgivable loans). Incentive-based opportunities may be fixed or be subject to financial or individual performance criteria. We may also impose meaningful time-based service requirements. In the case of incentive pay that is subject to vesting or loans that are subject to forgiveness conditions, we generally limit accelerated vesting or loan forgiveness protection to qualifying termination of employment and corporate events.

We also administer other incentive compensation programs that include cash, equity awards, loans or some combination thereof depending on the jurisdiction in which the participant is employed. Cash awards generally provide for fixed payments at some future date. In most cases, equity awards granted by the Company take the form of shares of restricted stock or restricted stock units subject to fixed vesting schedules ranging over two to nine years depending on the dollar value of such awards at grant. Loans provide that the principal amount and accrued interest will be forgiven, or repayment will be funded through an additional cash bonus payment, over the passage of time (subject to continued service) ranging from two to nine years. Participants in non-U.S. jurisdictions may receive other forms of compensation under a similar program offering with substantially equivalent values and subject to comparable conditions. Non-participants may receive one or more incentive compensation opportunities similar to those described above outside of any program, which may be subject to shorter or no vesting or forgiveness conditions. In substantially all cases, incentive compensation opportunities are subject to continued employment conditions.

The compensation opportunities that we offer differ depending on an SMD's or other employee's, consultant's or other professional's title, level, and individual expertise and other qualifications, as well as across the jurisdictions in which we operate. We believe the compensation opportunities that we offer are competitive with our peers in terms of mix and magnitude and are designed to comply with laws of the applicable jurisdictions in which we conduct business. The value of our incentive-based opportunities, in the aggregate, as well as on an individual basis, has been and is expected to continue to be significant.

Clients

During the year ended December 31, 2023, no single client accounted for more than 10% of our consolidated revenues and no reportable segment had a single client that accounted for more than 10% of its respective total segment revenues. In some cases, we may have engagements through law firms that represent a larger percentage of our consolidated revenues or the revenues of a segment; however, in these situations, each law firm engages us on behalf of multiple clients.

Competition

We compete with different companies or business segments within companies depending on the particular nature of a proposed engagement and the requested types of service(s) or the location of the client or delivery of the service(s) or product(s). Our businesses are highly competitive. Our competitors include large organizations, such as the global accounting firms and large management and financial consulting companies that offer a broad range of consulting services; investment banking firms; information technology consulting and software companies that offer niche services that are the same or similar to services or products offered by one or more of our segments and small firms and independent contractors that provide one or more specialized services.

We compete primarily on the basis of the breadth of our services, the quality of our work, the prominence of our professionals, our geographic reach, our reputation and performance record, our specific industry expertise, our ability to staff multiple significant engagements across disciplines and industries in multiple locations, and our strong client relationships. Our Technology segment, particularly with respect to hosting and e-discovery services, and to a lesser extent our other segments, may also compete on price, although the critical nature of the services provided by our Corporate Finance, FLC and Economic Consulting segments typically makes price a secondary consideration. Since our businesses depend in large part on professional relationships, there are low barriers of entry for professionals, including our professionals, electing to work independently, start their own firms or change employers.

Our Corporate Finance segment primarily competes with specialty boutiques and publicly traded companies providing restructuring, bankruptcy and M&A services and, to a lesser extent, large investment banks, management consulting firms and global accounting firms.

Our FLC segment primarily competes with other large consulting companies, specialty boutiques and global accounting firms with service offerings similar to ours.

Our Economic Consulting segment primarily competes with individually recognized economists, specialty boutiques and large consulting companies with service offerings similar to ours.

Our Technology segment primarily competes with consulting and/or software providers specializing in e-discovery, electronically stored information and the management of electronic content. Competitors may offer products and/or services intended to address one piece or more of those areas. There continues to be significant consolidation of companies providing products and services similar to our Technology segment, through M&A and other transactions, which may provide competitors access to greater financial and other resources than those of FTI Consulting. This industry is subject to significant and rapid innovation. Larger competitors may be able to react more quickly to new regulatory or legal requirements and other changes and may be able to innovate more quickly and efficiently.

Our Strategic Communications segment competes with large public relations firms, as well as boutique M&A, crisis communications and public affairs firms.

Some service providers are larger than we are and, on certain engagements, may have an advantage over us with respect to one or more competitive factors. Specialty boutiques or smaller local or regional firms, while not offering the range of services we provide, may compete with us on the basis of geographic proximity, specialty services or price.

Corporate Information

Our common stock is listed on the New York Stock Exchange (the "NYSE") under the symbol FCN. Our executive offices are located at 555 12th Street NW, Suite 700, Washington, D.C. 20004. Our telephone number is 202-312-9100. Our website is *http://www.fticonsulting.com*.

Available Information

We make available, free of charge, on or through our website at *http://www.fticonsulting.com*, our annual, quarterly and current reports and any amendments to those reports, our proxy statements, as well as our other filings with the SEC, as soon as reasonably practicable after electronically filing them with the SEC. Information posted on our website is not part of this Annual Report or any other report filed with the SEC in satisfaction of the requirements of the Exchange Act. Copies of this Annual Report, as well as other periodic reports filed with the SEC, may also be requested at no charge from our Corporate Secretary at FTI Consulting, Inc., 16701 Melford Boulevard, Suite 200, Bowie, MD 20715, email address: joanne.catanese@fticonsulting.com.

ITEM 1A. RISK FACTORS

All of the following risks could materially and adversely affect our business, prospects, financial condition and results of operations. In addition to the risks discussed below and elsewhere in this Annual Report, other risks and uncertainties not currently known to us or that we currently consider immaterial could, in the future, materially and adversely affect our business, prospects, financial condition and financial results.

Risks Related to Our Reportable Segments

Changes in capital markets, M&A activity, legal or regulatory requirements, general economic conditions and monetary or geopolitical disruptions, as well as other factors beyond our control, could reduce demand for one or more of our segment or practice offerings or services, in which case our revenues and profitability could decline.

Different U.S. and/or international factors outside of our control could affect demand for a segment's practices and our services. These include: (i) fluctuations in U.S. and/or global economies, including economic downturns or recessions and the strength and rate of any general economic recoveries; (ii) the U.S. or global financial markets and the availability, costs, and terms of credit and credit modifications, including interest levels and inflationary pressures; (iii) level of leverage incurred by countries or businesses; (iv) M&A activity; (v) frequency and complexity of significant commercial litigation; (vi) overexpansion by businesses causing financial difficulties; (vii) business and management crises, including the occurrence of alleged fraudulent or illegal activities and practices; (viii) new and complex laws and regulations, repeals of existing laws and regulations or changes of enforcement of laws, rules and regulations, including antitrust/competition reviews of proposed M&A transactions; (ix) other economic, geographic or political factors, including wars and other geopolitical conflicts; (x) widespread public health crises, including epidemics and pandemics and government restrictions or regulations enacted in response thereto, or employees' refusal to adhere to such restrictions; and (xi) general business or other conditions in the U.S. and other jurisdictions in which we conduct business or our employee population resides.

We are not able to predict the positive or negative effects that future events or changes to the U.S. or global economies will have on our business or the business of any particular segment or practice. Fluctuations, changes and disruptions in financial, credit, M&A and other markets, political instability, significant geopolitical conflicts and general business factors could impact various segments' operations and could affect such operations differently. Changes to factors described above, as well as other events, including by way of example, contractions of regional economies, or the economy of a particular country, trade restrictions, sanctions, prohibitions or restrictions, or laws, regulations, or other conditions or limitations, on conducting business in certain geographies or with certain persons or governments or authorities, monetary systems, banking, real estate and retail or other industries; government shutdowns; inflation and interest rate fluctuations; debt or credit difficulties or defaults by businesses or countries; new, repeals of or changes to laws and regulations, including changes to the bankruptcy and competition laws of the U.S. or other countries; tort reform; banking reform; a decline in the implementation or adoption of new laws or regulations, or in government enforcement, litigation or monetary damages or remedies that are sought; climate change; or political instability and wars may have adverse effects on one or more of our segments or service, practice or industry offerings.

Our revenues, operating income and cash flows are likely to fluctuate.

We experience fluctuations in our revenues and cost structure and the resulting operating income and cash flows and expect that this will continue to occur in the future. We experience fluctuations in our annual and quarterly financial results, including revenues, operating income and earnings per share, for reasons that include: (i) the types and complexity, number, size, timing and duration of client engagements; (ii) the timing of revenues; (iii) the utilization of revenue-generating professionals, including the ability to adjust staffing levels up or down to accommodate the business and prospects of the applicable segment and practice; (iv) the number of new hires, their compensation and the time it takes before a new hire becomes profitable; (v) the geographic locations of our clients or the locations where services are rendered; (vi) billing rates and fee arrangements, including the opportunity and ability to successfully reach milestones, and complete engagements and collect success fees and other outcome-contingent or performance-based fees; (vii) the length of billing and collection cycles and changes in amounts that may become uncollectible; (viii) changes in the frequency and complexity of government regulatory and enforcement activities; (ix) business and asset acquisitions; (x) fluctuations in the exchange rates of various currencies against the U.S. dollar; (xi) wage and cost increases; and (xii) other economic factors beyond our control.

The results of different segments and practices may be affected differently by the above factors. Certain of our practices, particularly our restructuring practice, tend to experience their highest demand during periods when market and/or industry conditions are less favorable for many businesses. For example, in periods of limited credit availability, reduced M&A activity and/or declining business and/or consumer spending, while not always the case, there may be increased restructuring opportunities that will cause our restructuring practice to experience high demand as was the case for our Corporate Finance segment in 2023. On the other hand, those same factors may cause one or more of our other segments and practices, such as our antitrust & competition practice in Economic Consulting, to experience reduced demand. The positive effects of certain events or factors on certain segments and practices may not be sufficient to overcome the negative effects of those same or other events or factors on other parts of our business. In addition, our mix of practice offerings adds complexity to the task of predicting revenues and results of operations and managing our staffing levels and expenditures across changing business cycles and economic environments.

Our results are subject to seasonal and similar factors, such as during the fourth quarter when our professionals and our clients typically take vacations. We may also experience fluctuations in our operating income and related cash flows because of increases in employee compensation, including changes to our incentive compensation structure and the timing of incentive payments, which we generally pay during the first quarter of each year, or hiring or retention payments, which are paid throughout the year. Also, the timing of investments or acquisitions and the cost of integrating them may cause fluctuations in our financial results, including operating income and cash flows. This volatility makes it difficult to forecast our future results with precision and to assess accurately whether increases or decreases in any one or more quarters are likely to cause annual results to exceed or fall short of previously issued guidance. While we assess our annual guidance at the end of each quarter and update such guidance when we think it is appropriate, unanticipated future volatility can cause actual results to vary significantly from our guidance, even where that guidance reflects a range of possible results and has been updated to take account of partial-year results.

If we do not effectively manage the utilization of our professionals or billable rates, our financial results could decline.

Our failure to manage the utilization of our professionals who bill on an hourly basis, or maintain or increase the hourly rates we charge our clients for our services, could result in adverse consequences, such as non- or lower-revenue-generating professionals, increased employee turnover, fixed compensation expenses in periods of declining revenues, the inability to appropriately staff engagements with employees and/or independent consultants (including adding or reducing staff during periods of increased or decreased demand for our services, or redeploying staff to other practices or engagements), or special charges associated with reductions in staff or operations. Reductions in workforce or increases of billable rates will not necessarily lead to savings. In such events, our financial results may decline or be adversely impacted. A number of factors affect the utilization of our workforce, some of which we cannot predict with certainty, including general economic and financial market conditions; the complexity, number, type, size and timing of client engagements; the level of demand for our services; appropriate staffing levels, in light of changing client demands, expectations or market conditions; redeployment or utilization of staff across segments and geographic regions; competition; acquisitions; or the utilization of temporary independent consultants who may be compensated on a different or higher basis than certain employees, provide services under fixed-term and/or fixed-fee contracts that are not amenable to extension or early termination, or are not as disposed to redeployment to other client engagements, segments or practices. In addition, our global expansion into or within locations where we are not well-known or where demand for our services is not well-developed could also contribute to low or lower utilization rates in certain locations.

Certain practices within our segments may enter into engagements such as fixed-fee and time and materials with caps. Failure to effectively manage staff utilization and other aspects of alternative fee engagements may result in the costs of providing such services exceeding the fees collected by the Company. Failure to successfully complete or reach milestones with respect to contingent fee or success fee assignments may also lead to lower revenues or the costs of providing services under those types of arrangements may exceed the fees collected by the Company.

Factors that could negatively affect utilization in our segments include:

Corporate Finance — The completion of bankruptcy proceedings; the timing of the completion of other engagements; fewer and smaller restructuring (including bankruptcy) cases; a recovering or strong economy; easy credit availability; lower interest rates; fewer, smaller and less complex M&A and restructuring activity; and less capital markets activity or fewer complex transactions.

FLC — The settlement of litigation; less frequent instances of significant mismanagement, fraud, wrongdoing or other business problems that could result in fewer or less complex business engagements; fewer and less complex legal disputes; fewer class action suits; the timing of the completion of engagements; less government regulation or fewer regulatory investigations; and the timing of government investigations and litigation.

Economic Consulting — Fewer, smaller and less complex M&A activity; less capital markets activity or fewer complex transactions; a reduced number of regulatory filings and less litigation, reduced or less aggressive antitrust and competition regulation or enforcement; fewer government investigations and proceedings; and the timing of client utilization of our services.

Technology — The settlement of litigation; a decline in volume and complexity of litigation proceedings and governmental investigations; a decline in volume and the timing of M&A activities and reduced or less aggressive enforcement of antitrust and competition regulations; the more rapid and successful integration of new and emerging technologies in client offerings, such as AI or machine learning, by competitors, or the availability and engagement of independent consultants, which this segment, more than our other segments, relies on for staffing e-discovery and certain other types of client engagements.

Strategic Communications — Fewer event-driven crises affecting businesses; general economic decline that may reduce certain discretionary spending by clients; a decline in capital markets activity, including M&A; and fewer public securities offerings.

Our segments may face risks of fee non-payment, clients may seek to renegotiate existing fees and contract arrangements, and may not accept billable rate or price increases, which could result in loss of engagements, fee write-offs, reduced revenues and less profitable business.

In some cases, our segments are engaged by certain clients who are or anticipate experiencing financial distress or are facing complex challenges, are engaging in litigation or regulatory or judicial proceedings, or are facing foreclosure of collateral or liquidation of assets. This may be due to general economic conditions; lingering effects of past economic slowdowns or recession; or business- or operations-specific reasons. Such clients may not have sufficient funds to continue operations or to pay for our services. We typically do not receive retainers before we begin performing services on a client's behalf in connection with a significant number of engagements in our segments. In the cases where we have received retainers, we cannot assure the retainers will adequately cover our fees for the services we perform on behalf of these clients. With respect to bankruptcy cases, bankruptcy courts have the discretion to require us to return all, or a portion of, our fees.

We may receive requests to discount our fees or to negotiate lower rates for our services and to agree to contract terms relative to the scope of services and other terms that may limit the size of an engagement or our ability to pass-through costs. We consider these requests on a case-by-case basis. We routinely receive these types of requests and expect this to continue in the future. In addition, our clients and prospective clients may not accept rate increases that we put into effect or plan to implement in the future. Fee discounts, pressure not to increase or pressure to decrease our rates, and less advantageous contract terms could result in the loss of clients, lower revenues and operating income, higher costs and less profitable engagements. More discounts or write-offs than we expect in any period would have a negative impact on our results of operations. There is no assurance that significant client engagements will be renewed or replaced in a timely manner or at all, or that they will generate the same volume of work or revenues or be as profitable as past engagements.

Certain clients prefer fixed and other alternative fee arrangements that place revenue ceilings or other limitations on our fee structure or may shift more of our revenue-generating potential to back-end contingent and success fee arrangements. With respect to such alternative fee arrangements, we may discount our rates initially, which could mean that the cost of providing services exceeds the fees collected by the Company during all or a portion of the term of the engagement. In such cases, the Company's failure to manage the engagement efficiently or collect the success or performance fees could expose the Company to a greater risk of loss on such engagement than other fee arrangements or may cause variations in the Company's revenues and operating results due to the timing of achievement of the performance-based criteria, if achieved at all. A segment's ability to service clients with these fee arrangements at a cost that does not directly correlate to time and materials may negatively impact or result in a loss of the profitability of such engagements, adversely affecting the financial results of the segment.

Our segments and practices could suffer competitive, reputational and business harm or increased liability arising from the rapid introduction, deployment, evolution and use of new technologies, including Artificial Intelligence ("AI") and machine learning.

Our services are extremely complicated and differ materially among our segment and practice offerings. As a result, the benefits and risks of adopting and implementing new and emerging technologies, such as AI and machine learning in their many forms, necessitates, in most cases, our review and analysis of such technology and its risks and benefits on a service-by-service basis. The need for complex analysis could result in significant delays adopting AI and other technologies, which could adversely impact our competitive position; ability to market services; win new engagements; provide state of the art services to clients; and attract, hire and retain members of our workforce, as compared to early adopters of such technologies. Furthermore, we may not be successful in our AI or other technology-related initiatives. The adoption of technologies, such as AI and machine learning, may require the investment of significant capital, time and resources. Such investment could require the engagement of third-parties or independent contractors and may interfere with the other duties of our management and employees. In addition, the adoption and deployment of AI, machine learning and other new and emerging technologies by competitors more rapidly or successfully than we do could materially adversely affect our competitive position and financial results.

New technologies, such as AI and machine learning, continue to evolve and as a result risks continue to be unknown or uncertain. There is no assurance that (i) we can successfully develop and deploy AI or other technologies in our business, (ii) such technologies will improve and enhance our services, operations or profitability, (iii) clients will accept the incorporation of such technology in our services, (iv) we can successfully market the use of these technologies to prospective clients, (vi) we can hire and retain staff with the required specialized knowledge and skills to utilize these technologies, (vi) new cybersecurity and other threats and incidents will not arise, (vii) we can identify, mitigate or recover from cybersecurity or other adverse events that occur, (viii) we can protect and maintain the privacy of our employees and confidential and proprietary information, (ix) governmental regulation will be adopted and what such requirements will be, (x) material additional monetary and time expenditures will not be required, (xi) we can pass on costs of such technologies to clients, (xii) we can integrate other technologies we use with AI, or (xiii) AI and machine learning and other new technologies will not result in significant legal and other liabilities, challenges, regulatory or operational issues, and ethical or other dilemmas. The above risks and potential effects could result in material adverse consequences to our operations, reputation, client relationships, ability to market our services, and financial results.

In addition, AI and other technologies that are open source and available for no or low cost could result in low barriers to development and utilization, and additional competition from third parties.

Our Technology segment faces certain risks, including (i) industry consolidation and a highly competitive environment, (ii) downward pricing pressure, (iii) data breach, (iv) technology changes and obsolescence, including AI and machine learning, and (v) failure to protect intellectual property ("IP") used by the segment, which individually or together could cause the financial results and prospects of this segment and the Company to decline.

Our Technology segment faces significant competition from other consulting and/or software providers specializing in e-discovery and the management of electronic content. There has been considerable new development and evolution of technologies such as AI and machine learning, used to perform certain services. Rapid adoption and deployment by other companies in our industry could adversely affect our ability to offer and provide competitive services. Competitors may introduce new offerings and technologies that operate more quickly, provide better outcomes or are alternatives to our service offerings. If our competitors are more successful employing new technologies, such as AI and machine learning, our financial performance and operations, competitive position and reputation may be negatively impacted.

There continues to be consolidation of companies providing products and services similar to those offered by our Technology segment, which may provide competitors access to greater financial and other resources than those of the Company. Larger competitors may be able to react more quickly to new regulatory or legal requirements and provide similar services at lower prices, particularly with respect to hosting and e-discovery services.

The success of our Technology segment and its ability to compete depends significantly on our ability to safeguard client data. There is no assurance that we will not incur losses related to cyber incidents or malicious data breach from external or internal sources in the future.

Our Technology segment also relies on the IP rights we license from third parties. There is no assurance that (i) the software we license to provide our services will remain competitive or technologically innovative, (ii) new, innovative or improved software or products will not be developed by others that will compete more effectively with the software or products we currently license or use to service our customers, or (iii) we can enter into licenses or other agreements on economically advantageous terms to utilize new or more innovative third-party software and products to provide our services. If our Technology segment is unable to license or otherwise use competitively innovative or technologically advanced software and products to provide our services, we could be unable to retain clients, grow our business and capitalize on market opportunities, which would adversely affect our operating margins and financial results, competitive position and reputation.

We face certain risks relating to cybersecurity and the failure to protect the confidentiality of our or our client's information against misuse or disclosure.

Maintaining the confidentiality of proprietary, confidential and trade secret information is critical to maintaining the trust of our clients, the success of our segments and the reputation of our company. In addition, our Technology segment is dependent on providing secure storage of, and access to, client information as a service. Our systems, which include those of third parties on whom we rely, may fail or not operate properly or become disabled as a result of network security failures. We are subject to and routinely face cyber-based attacks and attempts by hackers and similar unauthorized users to gain access to or corrupt our information technology systems. Such attacks, if successful, could harm our overall professional reputation, disrupt our business operations, cause us to incur unanticipated losses or expenses, and result in unauthorized disclosures of confidential or proprietary information. We expect to continue to face such attempts. Although we seek to prevent, detect and investigate these network security incidents and have taken steps to mitigate the likelihood of network security breaches, there can be no assurance that attacks by unauthorized users will not be attempted in the future or that our security measures will be effective. If we fail to effectively protect the confidentiality of our clients' or our own IP and proprietary information from disclosure or misuse by our employees, contractors or third parties, the financial results of the affected segment or the Company and our reputation would be adversely affected. There is no certainty that we or third parties on whom we rely, can maintain the confidentiality, prevent the misuse of our own or our clients' information or mitigate related damages. As of December 31, 2023, we are not aware of any risks from cybersecurity threats, including as a result of any previous cybersecurity incidents, that have materially affected us, including our business strategy, results of operations or financial condition, or that we believe are reasonably likely to have such an effect over the long term.

We may not manage our growth effectively, and our profitability may suffer.

We experience fluctuations in growth of our different segments, practices and services, including periods of rapid or declining growth. Periods of rapid expansion may strain our management team or human resources and information systems. To manage growth successfully, we may need to add qualified managers and employees and periodically update our operating, financial and other systems, as well as our internal procedures and controls. We also must effectively motivate, train and manage a larger professional staff. If we fail to add or retain qualified managers, employees and contractors when needed, estimate costs, or otherwise manage our growth effectively, our business, financial results and financial condition may suffer.

We cannot assure that we can successfully manage growth through acquisitions and the integration of the companies and assets we acquire or that they will result in the financial, operational and other benefits that we anticipate. Some acquisitions may not be immediately accretive to earnings, and some expansion may result in significant expenditures.

In periods of declining growth, underutilized employees and contractors may result in expenses and costs being a greater percentage of revenues. In such situations, we will have to weigh the benefits of decreasing our workforce or limiting our service offerings and saving costs against the detriment that the Company could experience from losing valued professionals and their industry expertise and clients.

Risks Related to Our Operations

Our operations involve financial and business risks that differ among the U.S. and foreign jurisdictions.

Our operations involve financial and business risks that differ among the U.S. and the different foreign jurisdictions in which we operate including: (i) cultural and language differences; (ii) various levels of FTI Consulting "brand" recognition; (iii) different employment laws and rules, employment or service contracts, compensation methods, and social and cultural factors that could result in employee turnover, lower utilization rates, higher costs and cyclical fluctuations in utilization that could adversely affect financial and operating results; (iv) foreign currency disruptions and currency fluctuations between the U.S. dollar and foreign currencies that could adversely affect financial and operating results; (v) differing legal and regulatory requirements and other barriers to conducting business; (vi) difficulties resolving the collection of receivables when legal proceedings are necessary; (vii) difficulties in managing our non-U.S. operations, including client relationships, in certain locations; (viii) disparate systems, policies, procedures and processes; (ix) failure to comply with the FCPA and anti-bribery laws of other jurisdictions; (x) higher operating costs; (xi) longer sales and/or collections cycles; (xii) potential restrictions or adverse tax consequences resulting from the repatriation of foreign earnings, such as trapped foreign losses and importation or withholding taxes; (xiii) different or less stable political and/or economic environments; (xiv) wars and other geopolitical conflicts; (xv) conflicts between and among the U.S. and countries in which we conduct business, including those arising from trade disputes or disruptions, the termination or suspension of treaties, or boycotts; (xvi) civil disturbances or other catastrophic events that reduce business activity; (xvii) political interference with our ability to conduct business in the applicable jurisdiction; (xviii) impact of public health crises, including varying governmental responses and requirements, client impacts and travel restrictions; (xix) failure to achieve or maintain a diverse workforce or otherwise meet evolving governmental or client-related standards and requirements pertaining to ESG-related issues; and (xx) physical risks associated with climate change, including rising temperatures, severe storms, energy disruptions, flooding and rising sea levels, among others.

If we are not able to quickly adapt to or effectively manage our operations in the geographic markets in which we conduct business, our business prospects and results of operations could be negatively impacted.

Failure to comply with governmental, regulatory and legal requirements or with our company-wide Code of Ethics and Business Conduct, Anti-Corruption Policy, Policy on Inside Information and Insider Trading, and other policies could lead to governmental or legal proceedings that could expose us to significant liabilities and damage our reputation.

We have a robust Code of Ethics and Business Conduct, Anti-Corruption Policy, Policy on Inside Information and Insider Trading, and other policies and procedures that are designed to educate and establish the standards of conduct that we expect from our executive officers, outside directors, employees, and independent consultants and contractors. These policies require strict compliance with U.S. and local laws and regulations applicable to our business operations, including those laws and regulations prohibiting improper payments to government officials. In addition, as a corporation whose securities are registered under the Securities Act and publicly traded on the NYSE, our executive officers, outside directors, employees and independent contractors are required to comply with the prohibitions against insider trading of our securities. In addition, we impose certain restrictions on the trading of securities of our clients. Nonetheless, we cannot assure our stakeholders that our policies, procedures and related training programs will ensure full compliance with all applicable legal requirements. Illegal or improper conduct by our executive officers, directors, employees, independent consultants or contractors, or others who are subject to our policies and procedures could damage our reputation in the U.S. and internationally, which could adversely affect our existing client relationships or adversely affect our ability to attract and retain new clients, or lead to litigation or governmental or regulatory proceedings in the U.S. or foreign jurisdictions, which could result in civil or criminal penalties, including substantial monetary awards, fines and penalties, as well as disgorgement of profits. We are also exposed to new and changing regulations related to climate change, both in the U.S. and internationally. The fast pace of changes to regulation in this area can pose compliance challenges, and we may face risks similar to those described above.

Governmental focus on data privacy and security has increased, and could continue to increase, our costs of operations.

In reaction to publicized incidents in which electronically stored personal and other information has been lost, accessed or stolen, or transmitted by or to third parties without permission, U.S. and non-U.S. governmental authorities have proposed or adopted or are considering proposing or adopting data security and/or data privacy statutes or regulations, including the California Consumer Privacy Act as amended by the California Privacy Rights Act of 2020, and the General Data Protection Regulation of the European Union. Continued governmental focus and regulation of data security and privacy may lead to additional legislative and regulatory actions, which could increase the complexity of doing business in the U.S. or the applicable jurisdiction. The increased emphasis on information security and the requirements to comply with applicable U.S. and foreign data security and privacy laws and regulations has increased, and is expected to continue to increase, our related costs of doing business and could negatively impact our financial results.

Changes to corporate income tax rates, legislation, rules and regulations and tax treaties in countries in which we operate may negatively impact our effective tax rate and financial results and increase our cash tax payment obligations.

Changes to corporate income tax laws and rules and regulations and tax treaties in jurisdictions where we pay taxes that increase rates, eliminate or reduce deductions or affect the utility or value of deferred tax assets or liabilities could negatively affect our reported financial results and increase our cash tax payment obligations. On October 8, 2021, the Organization for Economic Co-operation and Development (“OECD”) announced the OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting which agreed to a two-pillar solution to address the tax challenges arising from the digitalization of the economy. On December 20, 2021, the OECD released the Global Anti-Base Erosion (“GLoBE”) Model Rules introducing a global minimum corporate tax rate of 15% to apply to certain multinational enterprises. The OECD continues to release additional guidance on these rules. Many countries have or are in the process of enacting legislation intended to implement the OECD GLoBE Model Rules effective starting on January 1, 2024. The impact on the Company will depend on the exact nature of each country's GLoBE legislation, guidance and regulations thereon and their application by tax authorities.

We are exposed to certain physical and regulatory risks related to climate change, which could adversely affect our business, financial condition and results of operations.

Due to the global nature of our business, we are exposed to a variety of physical risks related to climate change, including extreme temperatures, severe storms, energy disruptions, floods and rising sea levels, among others, all of which are beyond our control. There is increased regulation as well as focus from governmental organizations, and our investors, clients and employees, on environmental- and sustainability-related issues. Governments and regulators around the world are increasingly enacting laws and regulations regarding climate change. In October 2023, California enacted legislation addressing the disclosure of greenhouse gas emissions, climate-related risks, environmental claims, and the use or sale of voluntary carbon offsets. The SEC has proposed a mandatory climate change reporting framework that, if implemented, is likely to materially increase the amount of time, monitoring, diligence and reporting costs related to these matters. International efforts continue toward the adoption of international treaties or protocols that would address global climate change issues, including plans developed in connection with the Paris climate conference in December 2015, the Katowice climate conference in December 2018 and the UN Climate Change Conferences since 2021. In January 2023, the EU enacted the Corporate Sustainability Reporting Directive, which will require sustainability reporting across a broad range of topics for both EU and non-EU companies. Numerous countries have also begun proposing climate-reporting frameworks aligned with the International Sustainability Standards Board standards. The threats from environmental events could adversely impact our ability to maintain business continuity, and could impair access to our leased office space in affected geographies and the integrity of our information technology systems. Further, compliance with the disparate climate-related frameworks, including requirements related to greenhouse gas emissions and climate change by federal, state, local and foreign legislatures and governmental agencies could cause us to incur operational and other costs to comply, and penalties if we fail to do so.

Increasing scrutiny and changing expectations from governmental organizations, investors, clients and our colleagues with respect to our social-related practices and those of our clients may impose additional costs on us or expose us to new or additional risks, including reputational harm.

Differing (and often conflicting) perceptions, attitudes or legal pronouncements regarding the consideration of social-related characteristics based on race, gender, sexual orientation and other attributes are complicating our ability to attract and maintain an inclusive workforce and comply with disparate U.S. federal and state and foreign legislative and court decisions. Some U.S. states, recent U.S. court decisions and third-party activists are restricting or otherwise attempting to influence how we make and manage recruiting, hiring and other employment decisions. This contrasts with regulations being adopted by certain foreign jurisdictions in which we operate, the demands of many of our investors and other stakeholders, as well as third-party proxy and other advisory firms who provide information to investors on corporate governance and related matters, who encourage or demand heightened consideration of diversity-related factors, including the reporting of characteristics of our employee populations, as well as reporting of our recruitment, hiring and other employment processes. Consequently, our employment processes, human capital management, risk management and reporting functions have become more complicated. Any failure to comply with U.S. federal and state, and international laws and regulations or court decisions, or to meet the evolving expectations of our investors and other stakeholders and interested parties, could result in legal or regulatory proceedings against us, increased adverse public scrutiny, client dissatisfaction, reputational harm, employee disenfranchisement, increased employee turnover and other challenges in retaining, recruiting and hiring employees, which may give rise to damages or penalties, and materially adversely affect our business, financial results and stock performance.

Our business depends on our ability to use and access information systems, and modernize or replace such systems from time to time, and failure to effectively maintain such systems or modernize or replace systems could materially adversely affect our business and operations and harm our reputation.

We depend on multiple information systems, including our enterprise resource planning (“ERP”) system, for operating our business and internal controls. We utilize commercially available third-party technology solutions, which in many cases are customized to our business needs. Our information systems may be compromised by power outages, computer and telecommunications failures, computer viruses, security breaches, hackers, catastrophic events, human error and other events, many of which are beyond our control, and are subject to obsolescence and technological changes. We continue to implement and improve the utilization of our new ERP system that went into effect in April 2023. Delays in fully finalizing and implementing our new ERP system or any of our other information systems or failure of such system to work properly or if any of them should become unavailable, could require us to expend substantial time, effort and costs to adjust our processes, implement changes or corrections, or repair or replace such systems, to carry out our operations, including preparation of our financial statements and to maintain the effectiveness of our internal controls. Failure, delays or compromise of any such information system or material functions, could harm our reputation or our clients, and expose us to claims that could adversely affect our business and results.

The compromise of confidential or proprietary information could damage our reputation, harm our businesses and adversely impact our financial results.

The Company’s own confidential and proprietary information and that of our clients or vendors could be compromised, whether intentionally or unintentionally, by our employees, consultants, contractors or vendors. In addition, physical risks associated with climate change, including energy disruptions, flooding and other events, may adversely impact the integrity of our information technology systems. Any significant compromise of the security of our information technology systems leading to theft or misuse of our own or our clients’ proprietary or confidential information, or the public disclosure or use of such information by others, could result in losses, damages or penalties, third-party claims, reputational harm and the loss of clients and other adverse business consequences, which could negatively impact our financial results or financial condition.

Furthermore, the use or misuse of social media by employees or others could reflect negatively on us or our clients and could have a material adverse effect on our business, financial condition and results of operations. The available legal remedies for the use or misuse of social media may not adequately compensate us for the damages caused by such use or misuse and consequences arising from such actions.

Risks Related to Our People

Our failure to recruit and retain qualified professionals and manage headcount needs and utilization could negatively affect our financial results and our ability to staff client engagements, maintain relationships with clients and drive future growth.

We deliver sophisticated professional services to our clients. Our success and future growth is dependent, in large part, on our ability to keep our supply of skills and human resources in balance with client demand around the world. To attract and retain clients, we need to demonstrate professional acumen and build trust and strong relationships. Our professionals have highly specialized skills. They also develop strong bonds with the clients they serve, which is a critical element in obtaining and maintaining client engagements. Our continued success depends upon our ability to attract and retain professionals who have expertise, a good reputation and client relationships critical to maintaining and developing our business. We face intense competition in recruiting and retaining highly qualified professionals to drive our organic growth and support expansion of our services and geographic footprint. We incur significant expenses, time and resources to train, integrate and develop our professionals. We experience attrition of highly qualified professionals in the normal course of our business. We cannot assure that we will be able to attract or retain any particular qualified professionals or replace those that choose to leave us, or maintain or expand our business. If we are unable to successfully integrate, motivate, retain or replace qualified professionals, our ability to continue to secure or perform work may suffer. Competition and third-party recruiting efforts targeting professionals with expertise relevant to our business have accelerated and have caused our costs of retaining and hiring qualified professionals to increase. That is a trend that we see continuing and that has contributed and in the future is likely to continue to contribute to increased costs of operations and, in some cases, lower operating margins. In addition, the departure of one professional may lead to the departure of other professionals who have worked together here and desire to continue to work together elsewhere.

Despite fixed terms or renewal provisions, we face retention issues during and at the end of the terms of those agreements and large compensation expenses to secure extensions. There is no assurance we will enter into new or extend existing employment agreements with professionals subject to written employment agreements. We monitor contract expirations carefully to commence dialogues with professionals regarding their employment in advance of the actual contract expiration dates. Our goal is to renew employment agreements when advisable and to stagger the expirations of the agreements if possible. Because of the concentration of contract expirations in certain years, we may experience high turnover or other adverse consequences, such as higher costs, loss of clients and engagements or difficulty in staffing engagements, if we are unable to renegotiate employment agreements or the costs of retaining qualified professionals become too high. The implementation of new compensation arrangements may result in the concentration of potential turnover in future years.

Our people are our primary assets and account for the majority of our expenses. During periods of reduced demand for our services, or in response to unfavorable changes in market or industry conditions, we may seek to align our cost structure more closely with our revenues and increase our utilization rates by reducing headcount and eliminating or consolidating underused locations in affected reportable segments or practices. Following such actions, in response to subsequent increases in demand for our services, including as a result of favorable changes in market or industry conditions, we may need to hire, train and integrate additional qualified and skilled personnel and may be unable to do so to meet our needs or our clients' demands on a timely basis. If we are unable to manage staffing levels on a timely basis in light of changing opportunities or conditions, our ability to accept or service business opportunities and client engagements, take advantage of positive market and industry developments, and realize future growth could be negatively affected, which could negatively impact our revenues and profitability. In addition, while increased utilization resulting from headcount reductions may enhance our profitability in the near term, it could negatively affect our business over the longer term by limiting the time our professionals have to seek out and cultivate new client relationships and win new projects.

We incur substantial costs to hire and retain our professionals, and we expect these costs to continue and to grow.

We may pay hiring or retention bonuses to secure the services of professionals and maintain incentive compensation programs for their benefit. Payments have taken the form of unsecured general recourse forgivable loans, stock options, restricted stock, cash-based stock appreciation rights and other equity- and cash-based awards, and cash payments to attract and retain our professional employees. We may provide forgivable or other types of loans under our incentive compensation programs, or to new hires and professionals who join us in connection with acquisitions, as well as to select current employees and other professionals on a case-by-case basis. The aggregate amount of loans to professionals is significant. We expect to continue issuing unsecured general recourse forgivable loans.

In addition, our Economic Consulting segment has contracts with select economists or professionals that provide for compensation equal to a percentage of such individual's annual collected client fees plus a percentage of the annual fees generated by junior professionals working on engagements managed by such professionals, which results in compensation expenses for that segment being a higher percentage of segment revenues and Adjusted Segment EBITDA than the compensation paid by other segments. We expect that these arrangements will continue, and the Company has and will continue to enter into similar arrangements with other economists and professionals hired by the Company.

In some cases, however, we have been, and in the future expect that we will continue to be, unsuccessful in reaching agreement on compensation or other key employment terms with certain highly qualified professionals who then choose to leave the Company. Such professionals will often pursue other business and professional opportunities and may compete with the Company for clients and/or employees. These situations have increased, and we expect that they will continue into the future to increase, our costs to retain other professionals at the Company and impact our ability to retain existing clients and win new engagements.

We rely heavily on our executive officers and the heads of our segments and industry and regional leaders for the success of our business, the loss of whom may negatively impact our business and operations.

We rely heavily on our executive officers and our segment, industry and regional leaders to manage our operations. Given the highly specialized nature of our services and the scale of our operations, our executive officers and the heads of our segments and industry and regional leaders must have a thorough understanding of our service offerings, as well as the skills and experience necessary to manage a large organization in diverse geographic locations. We are unable to predict with certainty the impact that leadership transitions and the loss of certain employees in leadership roles may have on our business operations, prospects, financial results, client relationships, or employee retention or morale. If one or more of our leaders leave and cannot be replaced with a suitable candidate quickly, we could experience difficulty in securing and successfully completing engagements and managing our operations, which could harm our business, prospects and financial results.

Professionals may leave our Company to form or join competitors or clients, and we may not have, or may choose not to pursue, legal recourse against such professionals.

Our professionals typically have close relationships with the clients they serve, based on their expertise and bonds of personal trust and confidence. Therefore, the barriers to our professionals pursuing independent business opportunities or joining our competitors or clients are low. Although our clients generally contract for services with us as a company, and not with an individual, in the event that a professional leaves, such clients may decide that they prefer to continue working with a specific professional rather than with our Company. This has occurred in the past, and we expect that it will continue to occur from time to time in the future. While our written employment agreements with our Senior Managing Directors and equivalent employees may include non-competition and non-solicitation clauses, such clauses may offer us only limited or no protections and may be unenforceable in one or more jurisdictions. In certain jurisdictions, non-competition clauses have been abolished or banned. When inclusion of a non-competition clause is appropriate, we have generally drafted the restrictions to seek to comply with applicable state law, including “reasonableness” standards regarding scope and duration. However, changes in state laws and rules and new court decisions can raise questions about the enforceability of contractual restrictions that, when originally agreed, appeared to be enforceable. In the case of employees outside the U.S., we draft non-competition provisions in an effort to comply with applicable foreign law. In the event an employee departs and acts in a way that we believe violates an applicable non-competition or non-solicitation agreement, we will consider any available legal remedies we may have against such person on a case-by-case basis. We may decide that preserving cooperation and a professional relationship with a former employee or client, or other concerns, outweigh the potential benefits of litigation or other options to seek legal or equitable remedies. We may also decide that the likelihood of success does not justify the costs of pursuing a claim. Accordingly, there may be times we may decide not to pursue legal action, even if it is available.

Starting January 1, 2024, California adopted legislation that expanded that state’s existing restrictions on non-competes to agreements created out-of-state and created new enforcement rights for employees to challenge such clauses. Other states, such as New York, are considering or have adopted similar legislation restricting the scope or enforceability of contractual non-competition provisions. There has been some discussion that non-competition clauses should be banned on a federal level. In January 2023, the Federal Trade Commission proposed a new rule that would ban employers from imposing non-competition agreements on workers. The adoption of restraints on our ability to adopt or enforce employment provisions considered as a restraint on competition may increase turnover and compensation costs to hire and retain professionals, and may adversely impact our ability to hire, maintain and increase headcount, and our ability to service and keep our clients and secure engagements.

Our failure to achieve and maintain an inclusive workforce may impair our ability to attract and retain qualified employees, win and maintain clients, or attract investment, which could have a material adverse effect on our business and financial results, as well as reputational harm.

As a global multicultural company our talent and retention initiatives are designed to provide opportunities across genders, races, nationalities and sexual orientations. We believe that a workforce that reflects the myriad identities of our clients and vendors with whom we do business, our stakeholders and the populations of the regions in which we have operations results in best in class advice to our clients, improves the quality of our services, promotes employee satisfaction and retention, and increases the overall value of our business. We promote inclusion through education, training and development opportunities. Failure to maintain an inclusive workforce may adversely affect our business.

Risks Related to Our Client Relationships

Damage to our reputation could result in material adverse consequences to our business and adversely impact our client engagements and financial results.

Damage to our reputation or the reputations of key members of our workforce could materially and adversely affect our business and operations in many possible ways, including among, other things: (i) difficulty retaining clients or securing client referrals or new clients; (ii) adverse publicity and public comments; (iii) activist social media and other campaigns targeting our or our clients' businesses and activities; (iv) increased employee turnover or difficulty recruiting and hiring staff; and (v) public scrutiny. Given the frequently high-profile nature of the matters we work on, any factor that diminishes our reputation or the reputation of any of our professionals could put us at a competitive disadvantage and adversely affect our business, prospects and financial results.

If we are unable to accept or continue client engagements due to real or perceived relationship issues, our revenues, growth, client engagements and prospects may be negatively affected.

From time to time we decide that we cannot or should not accept an engagement from an existing or prospective client or represent multiple clients in connection with the same or competitive engagements. In addition, upon occasion, we decide that we should or must resign from a client engagement. Such decisions may negatively impact our revenues, growth and financial results. While we follow internal practices to assess real and potential issues in the relationships between and among our clients, engagements, segments, practices and professionals, such concerns cannot always be avoided. For example, we generally will not represent parties adverse to each other in the same matter. Under U.S. federal bankruptcy rules, we generally may not represent both a debtor and its creditors in the same proceeding, and we are required to notify the U.S. Trustee of real or potential conflicts. Even if we begin a bankruptcy-related engagement, the U.S. Trustee could find that we no longer meet the disinterestedness standard because of real or potential changes in our status as a disinterested party and order us to resign, which could result in disgorgement of fees. Future acquisitions may require us to resign from a client engagement because of relationship issues that are not currently identifiable. In addition, businesses that we acquire or employees who join us may not be free to accept engagements they could have accepted prior to our acquisition or hire because of relationship issues.

Claims involving our services or adverse publicity could harm our overall professional reputation and our ability to compete and attract business or hire or retain qualified professionals.

Our engagements involve matters that may result in a severe impact on a client's business, cause the client a substantial monetary loss or prevent the client from pursuing business opportunities. Our ability to attract new clients and generate new and repeat engagements or hire professionals depends upon our ability to maintain a high degree of client satisfaction, as well as our reputation among industry professionals. As a result, any claims against us involving the quality of our services may be more damaging than similar claims against businesses in other industries.

From time to time, we may accept clients or perform engagements that may be viewed as controversial or that generate adverse publicity relating to our involvement or the services that we provide, including work we do for clients in high emissions industries. Such controversial engagements or negative reactions may adversely affect our reputation or the reputations of our employees and other professionals who provide services, or may otherwise harm our ability to attract or retain clients, employees and other professionals, all of which could have an adverse effect on our results of operations, business or prospects.

We may incur significant costs and may lose engagements as a result of claims by our clients regarding our services.

Many of our engagements involve complex analysis and the exercise of professional judgment, including litigation and governmental investigatory matters where we act as experts. Therefore, we are subject to the risk of professional and other liabilities. Although we believe we maintain an appropriate amount of insurance, it is limited. Damages and/or expenses resulting from any successful claim against us, for indemnity or otherwise, in excess of the amount of insurance coverage will be borne directly by us and could harm our profitability and financial resources. Any claim by a client or third-party against us could expose us to reputational issues that adversely affect our ability to attract new or maintain existing engagements or clients or qualified professionals or other employees, consultants or contractors.

Our clients may terminate our engagements with little or no notice and without penalty, which may result in unexpected declines in our utilization and revenues.

Our engagements center on transactions, disputes, litigation and other event-driven occurrences that require independent analysis or expert services. Transactions may be postponed or canceled, litigation may be settled or dismissed, and disputes may be resolved, in each case with little or no prior notice to us. If we cannot manage our work in process, our professionals may be underutilized until we can reassign them or obtain new engagements, which can adversely affect financial results.

The engagement letters that we typically enter into with clients do not obligate them to continue to use our services. Typically, our engagement letters permit clients to terminate our services at any time without penalty. In addition, our business involves large client engagements that we staff with a substantial number of professionals. At any time, one or more client engagements may represent a significant portion of a segment's revenues. If we are unable to replace clients or revenues as engagements end or if clients unexpectedly cancel engagements with us or curtail the scope of our engagements and we are unable to replace the revenues from those engagements, eliminate the costs associated with those engagements or find other engagements to utilize our professionals, the financial results of the Company could be adversely affected.

We may not have, or may choose not to pursue, legal remedies against clients that terminate their engagements.

The engagement letters that we typically have with clients do not obligate them to continue to use our services and permit them to terminate the engagement without penalty at any time. Even if the termination of an ongoing engagement by a client could constitute a breach of the client's engagement agreement, we may decide that preserving the overall client relationship is more important than seeking damages for the breach and, for that or other reasons, decide not to pursue any legal remedies against a client, even though such remedies may be available to us. We make the determination whether to pursue any legal actions against a client on a case-by-case basis.

Risks Related to Competition

If we fail to compete effectively, we may miss business opportunities or lose existing clients, and our revenues and profitability may decline.

The market for some of our consulting services is highly competitive. We do not compete against the same companies across all of our segments, practices, services, industries or geographic regions. Instead, we compete with different companies or businesses of companies depending on the particular nature of a proposed engagement and the types of requested service(s) and the location of the client or delivery of the service(s). Our operations are highly competitive.

Our competitors include large organizations, such as the global accounting firms and the large management and financial consulting companies that offer a broad range of consulting services; investment banking firms; IT consulting and software companies, which offer niche services that are the same or similar to services or products offered by one or more of our segments; and small firms and independent contractors that focus on specialized services. Some of our competitors have significantly more financial resources, a larger national or international presence, larger professional staffs and greater brand recognition than we do. Some have lower overhead and other costs and can compete through lower cost-service offerings.

Since our business depends in large part on professional relationships, our business has low barriers to entry for professionals electing to start their own firms or work independently. In addition, it is relatively easy for professionals to change employers.

If we cannot compete effectively or if the costs of competing, including the costs of hiring and retaining professionals, become too expensive, our revenue growth and financial results could be negatively affected and may differ materially from our expectations.

Our competitors may adopt and deploy new technologies, such as AI and machine learning, more rapidly or successfully than we do, which may materially adversely affect our competitive position, operations and financial results.

We may face competition from parties who sell us their businesses and from professionals who cease working for us.

In connection with our acquisitions, we generally obtain non-solicitation agreements from the professionals we hire, as well as non-competition agreements from senior managers and professionals. The agreements prohibit such individuals from competing with us during the term of their employment and for a fixed period afterward and from seeking to solicit our employees or clients. In some cases, but not all, we may obtain non-competition or non-solicitation agreements from parties who sell us their businesses or assets. The duration of post-employment non-competition and non-solicitation agreements typically ranges from six to 12 months. Non-competition agreements with the sellers of businesses or assets that we acquire typically continue longer than 12 months. Certain activities may be carved out of, or otherwise may not be prohibited by, these arrangements. We cannot assure that one or more of the parties from whom we acquire a business or assets, or who do not join us or leave our employment, will not compete with us or solicit our employees or clients in the future. States and foreign jurisdictions may interpret restrictions on competition narrowly and in favor of employees or sellers. Therefore, certain restrictions on competition or solicitation may be unenforceable. In addition, we may not pursue legal remedies if we determine that preserving cooperation and a professional relationship with a former employee or his or her clients, or other concerns, outweighs the benefits of any possible legal recourse or the likelihood of success does not justify the costs of pursuing a legal remedy. Such persons, because they have worked for our Company or a business that we acquire, may be able to compete more effectively with us, or be more successful in soliciting our employees and clients, than unaffiliated third parties.

Risks Related to Acquisitions

We may have difficulty integrating acquisitions or convincing clients to allow assignment of their engagements to us, which can increase costs of, and reduce the benefits we receive from, acquisitions.

The process of managing and integrating acquisitions into our existing operations may result in unforeseen operating difficulties and may require significant financial, operational and managerial resources that would otherwise be available for the operation, development and organic expansion of our existing operations. To the extent that we misjudge our ability to effectively manage and integrate acquisitions, we may have difficulty achieving our operating, strategic and financial objectives.

Acquisitions also may involve a number of special financial, business and operational risks, such as: (i) difficulties in integrating diverse corporate cultures and management styles; (ii) disparate policies and practices; (iii) client relationship issues; (iv) decreased utilization during the integration process; (v) loss of key existing or acquired personnel; (vi) increased costs to improve or coordinate managerial, operational, financial and administrative systems; (vii) dilutive issuances of equity securities, including convertible debt securities, to finance acquisitions; (viii) the assumption of legal liabilities; (ix) future earn-out payments or other price adjustments; (x) potential future write-offs relating to the impairment of goodwill or other acquired intangible assets or the revaluation of assets; (xi) difficulty or inability to collect receivables; and (xii) undisclosed liabilities.

In addition to the integration challenges mentioned above, our acquisitions of non-U.S. companies offer distinct integration challenges relating to foreign laws and governmental regulations, including tax and employee benefit laws, and other factors relating to operating in countries other than the U.S., which we have addressed above in the discussion regarding the difficulties we may face operating globally.

Asset transactions may require us to seek client consents to the assignment of their engagements to us or a subsidiary. All clients may not consent to assignments. In certain cases, such as government contracts and bankruptcy engagements, the consent of clients cannot be solicited until after the acquisition has closed. Further, such engagements may be subject to security clearance requirements or bidding provisions with which we might not be able to comply. There is no assurance that clients of the acquired entity or local, state, federal or foreign governments will agree to novate or assign their contracts to us.

The Company may also hire groups of selected professionals from another company. In such event, there may be restrictions on the ability of the professionals who join the Company to compete and work on client engagements. In addition, the Company may enter into arrangements with the former employers of those professionals regarding limitations on their work until any time restrictions pass. In such circumstances, there is no assurance that the Company will enter into mutually agreeable arrangements with any former employer, and the utilization of such professionals may be limited, and our financial results could be negatively affected until their restrictions end. The Company could also face litigation risks from group hires. Risks relating to claims or litigation relating to breach of applicable restrictive covenants by such new hires may result in the Company being subject to monetary damages, which could be significant, and could delay or restrict the ability of such new hires to provide services as employees of the Company.

We may have different systems of governance and management from a company we acquire or its parent, which could cause professionals who join us from an acquired company to leave us.

Our governance and management policies and practices will not mirror the policies and practices of an acquired company or its parent. In some cases, different management practices and policies may lead to workplace dissatisfaction on the part of professionals who join our Company. Some professionals may choose not to join our Company or leave after joining us. Existing professionals may leave us as well. The loss of key professionals may harm our business and financial results and cause us not to realize the anticipated benefits of the acquisition.

Risks Related to Our Indebtedness

Our leverage could adversely affect our financial condition or operating flexibility if the Company fails to comply with operating covenants under applicable debt instruments.

Our senior secured bank revolving credit facility (“Credit Facility”), or our other indebtedness outstanding from time to time, contains or may contain operating covenants that may, subject to exceptions, limit our ability and the ability of our subsidiaries to, among other things: (i) create, incur or assume certain liens; (ii) make certain restricted payments, investments and loans; (iii) create, incur or assume additional indebtedness or guarantees; (iv) create restrictions on the payment of dividends or other distributions to us from our restricted subsidiaries; (v) engage in M&A transactions, consolidations, saleleasebacks, joint ventures, and asset and security sales and dispositions; (vi) pay dividends or redeem or repurchase our capital stock; (vii) alter the business that we and our subsidiaries conduct; (viii) engage in certain transactions with affiliates; (ix) modify the terms of certain indebtedness; (x) prepay, redeem or purchase certain indebtedness; and (xi) make material changes to accounting and reporting practices.

In addition, the Credit Facility 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 $300.0 million) to Consolidated EBITDA, as defined in the Credit Facility).

Operating results below a certain level or other adverse factors, including a significant increase in interest rates, could result in us being unable to comply with certain covenants. If we violate any applicable covenants and are unable to obtain waivers, our agreements governing our indebtedness or other applicable agreement could be declared in default and could be accelerated, which could permit, in the case of secured debt, the lenders to foreclose on our assets securing the debt thereunder. If the indebtedness is accelerated, we may not be able to repay our debt or borrow sufficient funds to refinance it. Even if we are able to obtain new financing, it may not be on commercially reasonable terms or on terms that are acceptable to us. If our debt is in default for any reason, our cash flows, financial results or financial condition could be materially and adversely affected. In addition, complying with these covenants may cause us to take actions that are not favorable to holders of our outstanding indebtedness and may make it more difficult for us to successfully execute our business strategy and compete against companies that are not subject to such restrictions.

We and our subsidiaries may incur significant additional indebtedness.

We and our subsidiaries may incur substantial additional indebtedness, including additional secured indebtedness, in the future. The terms of the agreements governing our Credit Facility and other indebtedness limit, but do not prohibit, us from incurring additional indebtedness.

Our ability to incur additional indebtedness may have the effect of reducing the funds available to pay amounts due with respect to our indebtedness. If we incur new indebtedness or other liabilities, the related risks that we and our subsidiaries may face could intensify.

We may be unable to generate sufficient cash to service our indebtedness, and we may be forced to take actions to satisfy our payment obligations under our indebtedness, which may not be successful.

Our ability to make scheduled payments on or to refinance our indebtedness depends on our future performance, including the performance of our subsidiaries, which will be affected by financial, business and economic conditions, competition and other factors. We will not be able to control many of these factors, such as the general economy, economic conditions in the industries in which we operate and competitive pressures. Our cash flows may not be sufficient to allow us to pay principal and interest on our indebtedness and to meet our other obligations. If our cash flows and capital resources are insufficient to fund our debt service obligations, we may be forced to reduce or delay investments and capital expenditures or to sell assets, seek additional capital, or restructure or refinance our indebtedness. These alternative measures may not be successful and may not permit us to meet our scheduled debt service obligations. In addition, the terms of existing or future debt agreements, including our Credit Facility, may restrict us from pursuing any of these alternatives.

In the event that we need to refinance all or a portion of our outstanding indebtedness before maturity or as it matures, we may not be able to obtain terms as favorable as the terms of our existing indebtedness or refinance our existing indebtedness at all. If interest rates or other factors existing at the time of refinancing result in higher interest rates upon refinancing, we will incur higher interest expense. Furthermore, if any rating agency changes our credit rating or outlook, our debt and equity securities could be negatively affected, which could adversely affect our financial condition and financial results.

Our Credit Facility is guaranteed by substantially all of our wholly-owned domestic subsidiaries and will be required to be guaranteed by future wholly-owned domestic subsidiaries, including those that join us in connection with acquisitions.

Substantially all of our wholly-owned U.S. subsidiaries guarantee our obligations under our Credit Facility, and substantially all of their assets are pledged as collateral under the Credit Facility. Future wholly-owned U.S. subsidiaries, subject to certain exclusions, will be required to provide similar guarantees and asset pledges under the Credit Facility. If we default on any guaranteed indebtedness, our U.S. subsidiaries that are guarantors could be required to make payments under their guarantees, and the lenders under our Credit Facility could foreclose on certain of our U.S. subsidiaries' assets to satisfy unpaid obligations, which could materially adversely affect our business and financial results.

Our variable rate indebtedness will subject us to interest rate risk, which could cause our annual debt service obligations to increase significantly.

Borrowings under our Credit Facility will be at variable rates of interest, including for U.S. Dollar borrowings at the Secured Overnight Financing Rate ("SOFR") and, for borrowings in British Pound, the Sterling Overnight Index Average ("SONIA"), which expose us to interest rate risk. If interest rates increase, our debt service obligations on the variable rate indebtedness would increase even though the amount borrowed remained the same, and our cash flows could be adversely affected. An increase in debt service obligations under our variable rate indebtedness could affect our ability to make payments required under the terms of the agreements governing our indebtedness or our other indebtedness outstanding from time to time.

SOFR and SONIA are available replacements for the London Interbank Offered Rate ("LIBOR"), which the U.K.'s Financial Conduct Authority is phasing out as a benchmark. The change from LIBOR to SOFR and SONIA could expose our borrowings to less favorable rates. If the change to SOFR and SONIA results in increased interest rates or if our lenders have increased costs due to the change, then the Company's debt that uses benchmark rates could be affected and, in turn, the Company's cash flows and interest expense could be adversely impacted. The new rates may not be as favorable to us as those in effect prior to the discontinuation of LIBOR, and these new rates may be more volatile. In addition, the transition from LIBOR could have a significant impact on the overall interest rate environment and on our borrowing costs. While we do not expect the transition from LIBOR and the risks related thereto to have a material adverse effect on us, it remains uncertain at this time.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 1C. CYBERSECURITY

Risk Management and Strategy

We operate our segments and their practices through FTI Consulting and its subsidiaries in 31 countries with different business, client, and geographic cybersecurity risk profiles. We aim to proactively identify and assess our vulnerability to cybersecurity threats and actual cybersecurity incidents on an ongoing basis at both the enterprise level, as well as at a more operational level, differentiating unique risks related to our segments, practices, clients, employees, and the locations in which business is conducted. Our Information Technology Group ("ITG") closely monitors and analyzes cybersecurity incidents and risks and our progress mitigating and resolving such threats. This information is regularly discussed with our outside directors and executive management and other interested parties.

Approach and Integration

Cybersecurity risk is integrated and managed as part of our broader enterprise risk management program under the direction of our Vice President – Chief Risk and Compliance Officer – who works closely with our Chief Information Officer and others, including the Head of our Cybersecurity & Privacy division to identify, review, assess and address cybersecurity and other security risks. Our Chief Risk and Compliance Officer, Chief Information Officer and the Head of our Cybersecurity & Privacy division are members of the Company's cybersecurity response team (the "Cyber Response Team"). The Cyber Response Team's responsibilities include maintaining a Cybersecurity Incident Response Plan, which sets out a path for how cyber threats and incidents are identified and escalated up to and including the Board of Directors and other leadership, when appropriate. Direct threats are escalated promptly to the appropriate team, following a path that considers both the nature of the threat, the level of risk, and the degree to which it has been substantiated. Indirect threats, such as third-party incidents, are escalated through the ITG to the appropriate corporate functions, as the situation warrants.

Third-Party Engagement and Oversight

Where appropriate, we engage reputable third-party vendors to provide cybersecurity-related services, including security monitoring, risk evaluations, penetration testing, audit, and incident response services, which are aligned with internationally accepted frameworks. Our vendors are selected based on specific due diligence activities, such as evaluations of controls, policies, and processes of such vendors for protecting data, and resolving incidents, as well as entering into written contracts with such vendors that include terms addressing data security, privacy, and incident response expectations, responsibilities and liabilities, and termination rights of the parties. We routinely monitor vendor performance, review compliance with contract terms, and address concerns.

Further, our Vendor Code of Conduct addresses our expectations with respect to data security. When our Procurement group processes a vendor relationship involving information systems, various groups will review the vendor and its systems for potential data security-related issues and risks associated with using the tools, technology, data processing and other services of such vendor. Our contracts include terms addressing the safeguarding of our data.

Incident Response Plan and Training

In the event of the detection of a potentially significant cybersecurity incident or threat, an escalation of cybersecurity threat, or changes with respect to a current incident, the Company has processes in place to notify relevant employees who assist in the response, as well as third-party vendors. Our ITG and management, in consultation with the Company's third-party legal counsel and accountants, will assess materiality, informed by ongoing discussions about what criteria would constitute potential materiality considerations. The Audit Committee and necessary directors will be informed of all material events.

To educate our management, employees, and consultants, and mitigate the risk of human failure in exposing our Information Technology systems to cybersecurity threats from bad actors; management, employees, and consultants are required to complete on-line cybersecurity training annually. We also provide regular reminders to employees regarding suspicious emails or other communications and conduct periodic phishing simulations and remedial spot testing and training to reinforce recognition and response techniques.

In 2023, we conducted a tabletop training with an executive officer and an outside director simulating cybersecurity events and appropriate responses. We intend to continue to conduct such simulation training with this group on a periodic basis. Other directors and officers of the Company will be given the opportunity to participate in such training. In addition, our outside directors are encouraged to attend continuing education relating to cybersecurity. In 2023, two directors received certificates in cybersecurity oversight or emerging technologies.

Materiality of Risks

We are subject to and routinely face cyber-based attacks and attempts by hackers and similar unauthorized users seeking to gain access to or corrupt our information technology systems. As of December 31, 2023, we are not aware of any risks from cybersecurity threats, including as a result of any previous cybersecurity incidents, that have materially affected us, including our business strategy, results of operations, or financial condition, or that we believe are reasonably likely to have such an effect over the long term. However, there can be no assurance that we will be able to successfully mitigate the negative impacts of cybersecurity threats in the future. Accordingly, we continue to prioritize our cybersecurity risk management despite the lack of identified material impacts to date.

Governance

Management and Board of Directors' Role

The Audit Committee meets regularly with management to manage and assess risk exposures and potential damages related to information security, cybersecurity, and data protection and the steps management has taken to identify, monitor, and control such exposures, as well as associated mitigation and remediation action, and actions to continue our operations. Information distributed to and discussed with the Audit Committee includes data on cybersecurity incidents and risks, company-wide enterprise risks, training programs, risk assessments, internal controls, security software, incident response plans, and forward-looking information security and business continuity strategies. The Audit Committee reports directly to the Board of Directors on a quarterly basis.

Expertise of Management

Our Chief Information Officer, who has led our ITG since 1999, holds degrees in Cybersecurity Management and Policy and Information Management and is certified in various information security applications. The Head of our Cybersecurity and Privacy division has been with FTI since 2007 and has extensive experience in the cybersecurity field. The members of Cybersecurity & Privacy division have experience and education in cybersecurity, risk management, data assurance, and compliance. Among them they hold various certifications in information systems security and privacy. The practices and activities of our cybersecurity and information technology teams align with internationally accepted management frameworks.

Furthermore, we offer cybersecurity consulting as a service to clients. Our client-facing cybersecurity and information security experts periodically advise our cybersecurity and information technology teams regarding best practices. In addition, from time-to-time, they address our executives, directors, and other segment or regional leaders regarding complex issues faced by other companies that arise from data-security-related challenges. Among other things, they discuss new and evolving types and levels of threats and attacks, hacking and ransomware, foreign actors, risks driven by new and evolving technologies, including artificial intelligence, potential damages, and liability, and technological and other solutions potentially available to mitigate such risks, as well as other company responses. The existence of this team within FTI serves to aid in our ability to have current incident and threat intelligence that we can use to bolster our own security posture and defenses. Our cybersecurity practice also provides us with supplemental incident response investigation services in partnership with independent, external consultants, as needed and as appropriate.

For additional information on the risks we face related to cyber and information security threats, please see the related risk factor in Item 1A. Risk Factors.

ITEM 2. PROPERTIES

Our executive offices located in Washington, D.C., consist of 100,511 square feet under a lease expiring April 2028. Our principal corporate office located in Bowie, Maryland, consists of 30,835 square feet under a lease expiring April 2028. We also lease offices to support our operations in 32 other cities across the U.S., including New York, Chicago, Denver, Houston, Dallas, Los Angeles and San Francisco, and we lease office space to support our international locations in 30 countries and territories — the U.K., Ireland, Finland, France, Germany, Spain, Belgium, Switzerland, Denmark, Italy, Netherlands, Australia, Malaysia, China (including Hong Kong), Japan, Singapore, the United Arab Emirates, South Korea, South Africa, Argentina, Brazil, Colombia, Mexico, Canada, Indonesia, India, Qatar, Saudi Arabia, the Cayman Islands and the Virgin Islands (British). We believe our existing leased facilities are adequate to meet our current requirements and that suitable space will be available as needed.

ITEM 3. 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 IP 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 IP and securities litigation, the results are difficult to predict at all. We evaluate litigation claims and legal proceedings to assess the likelihood of unfavorable outcomes and to estimate, if possible, the amount of potential losses. Based on these assessments and estimates, we establish reserves and/or disclose the relevant litigation claims or legal proceedings, as appropriate. These assessments and estimates are based on the information available to management at the time and involve a significant amount of management judgment. Actual outcomes or losses may differ materially from those anticipated at the time. We currently 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 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Common Stock

Our common stock currently trades on the New York Stock Exchange (the "NYSE") under the symbol FCN. As of January 31, 2024, the number of holders of record of our common stock was 273.

Securities Authorized for Issuance under Equity Compensation Plans

The following table includes the number of shares of common stock of the Company authorized or to be issued upon exercise of outstanding options, warrants and rights awarded under our employee equity compensation plans as of December 31, 2023:

Plan Category	(a) Number of Securities to Be Issued upon Exercise of Outstanding Options, Warrants and Rights	(b) Weighted Average Exercise Price of Outstanding Options, Warrants and Rights	(c) Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a))
		(in thousands, except per share data)	
Equity compensation plans approved by our security holders	300 (1)	$ 37.29	875 (3)
Equity compensation plans not approved by our security holders	53 (2)	$ 36.75	—
Total	353	$ 37.21	875

(1) Includes up to (i) 1,243 shares of common stock issuable upon exercise of fully vested stock options granted under our 2006 Global Long-Term Incentive Plan (as Amended and Restated Effective as of May 14, 2008) and (ii) 299,121 shares of common stock issuable upon exercise of fully vested stock options granted under our 2009 Omnibus Incentive Compensation Plan (as Amended and Restated Effective as of June 3, 2015).

(2) Includes up to 53,552 shares of common stock issuable upon exercise of fully vested stock options granted as employment inducement on July 30, 2014 to an executive officer hire pursuant to Rule 303.08 of the NYSE.

(3) Includes 875,277 shares of common stock available for issuance under our 2017 Omnibus Incentive Compensation Plan, all of which are available for stock-based awards.

Sales of Unregistered Securities

On August 17, 2023, we issued a total of 1,460,740 shares of our common stock to holders in connection with the conversion of their 2.0% convertible senior notes due 2023 ("2023 Convertible Notes") at maturity, which represents the excess of the conversion value over the principal amount of $280.3 million. The shares were issued pursuant to the exemption from registration under Section 3(a)(9) of the Securities Act.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

The following table provides information with respect to purchases we made of our common stock during the fourth quarter of 2023:

	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)		
October 1 through October 31, 2023	1	[2]	$ 186.35	—	$ 460,653
November 1 through November 30, 2023	—		$ —	—	$ 460,653
December 1 through December 31, 2023	5	[3]	$ 206.18	—	$ 460,653
Total	6			—	

(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. On December 1, 2022, our Board of Directors authorized an additional $400.0 million, increasing the Repurchase Program to an aggregate authorization of $1.3 billion. 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 December 31, 2023.

(2) Includes 429 shares of common stock withheld to cover payroll tax withholdings related to the lapse of restrictions on restricted stock.

(3) Includes 5,250 shares of common stock withheld to cover payroll tax withholdings related to the lapse of restrictions on restricted stock.

ITEM 6. [RESERVED]

ITEM 7. 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 each of the two years in the period ended December 31, 2023 and significant factors that could affect our prospective financial condition and results of operations. This discussion should be read in conjunction with our consolidated financial statements and notes included in Part II, Item 8, "Financial Statements and Supplementary Data" of this Annual Report on Form 10-K (the "Annual Report"). For a similar discussion and analysis of our results for the year ended December 31, 2022 compared with our results for the year ended December 31, 2021, refer to Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" of our Annual Report for the year ended December 31, 2022, filed with the United States ("U.S.") Securities and Exchange Commission ("SEC") on February 23, 2023. Historical results and any discussion of prospective results may not indicate our future performance.

Business Overview

FTI Consulting, Inc., including its consolidated subsidiaries (collectively, the "Company," "we," "our" or "FTI Consulting") 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, governments and other financing sources and creditor groups, as well as other parties-in-interest. We deliver a wide range of services centered around four core offerings: Business Transformation, Strategy, Transactions and Turnaround & Restructuring.

Our **Forensic and Litigation Consulting ("FLC")** segment provides law firms, companies, boards of directors, government entities, private equity firms and other interested parties with a multidisciplinary and independent range of services across risk and investigations and disputes, supported by our data & analytics technology-enabled solutions, with a focus on highly regulated industries. Our services are centered around five core offerings: Construction, Projects & Assets and Environmental Solutions, Data & Analytics, Disputes, Healthcare Risk Management & Advisory 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 digital insights and risk management consulting services. Our professionals help organizations better address risk as the growing volume and variety of enterprise and emerging data intersects with legal, regulatory and compliance needs. We deliver a wide range of expert and analytics-powered solutions driven by investigations, litigation, antitrust and competition, M&A, restructuring and compliance and risk through three core offerings: Corporate Legal Department Consulting, 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.

Effective July 1, 2023, we modified the composition of two of our reportable segments to reflect changes in how we operate our business. We transferred 127 billable professionals in our health solutions practice within our FLC segment who focus on business transformation services in the healthcare and life sciences sector to our realigned business transformation practice within our Corporate Finance segment. This change aligns this group of professionals with the broader business transformation capabilities within the Corporate Finance segment. Eighty-three billable professionals who focus on advisory and managed care services within the health solutions practice remained in the FLC segment. Prior period Corporate Finance and FLC segment information included in this Annual Report has been reclassified to conform to the current period presentation.

We derive substantially all of our revenues from providing professional services to both U.S. and international 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 licensed software products 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.

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 20, "Segment Reporting" in Part II, Item 8, "Financial Statements and Supplementary Data" of this Annual Report, 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, the gain or loss on sale of a business 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 these non-GAAP financial measures, when considered together with our GAAP financial results and GAAP financial measures, provide management and investors with an additional understanding of our business operating results, including underlying trends.

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

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

Full Year 2023 Executive Highlights

Financial Highlights

	Year Ended December 31,		
	2023	2022	% Increase (Decrease)
	(dollar amounts in thousands, except per share amounts)		
Revenues	$ 3,489,242	$ 3,028,908	15.2 %
Special charges [1]	$ —	$ 8,340	(100.0)%
Net income	$ 274,892	$ 235,514	16.7 %
Adjusted EBITDA	$ 424,799	$ 357,558	18.8 %
Earnings per common share — diluted	$ 7.71	$ 6.58	17.2 %
Adjusted earnings per common share — diluted	$ 7.71	$ 6.77	13.9 %
Net cash provided by operating activities	$ 224,461	$ 188,794	18.9 %
Total number of employees	7,990	7,635	4.6 %

(1) Excluded from non-GAAP financial measures

Revenues

Revenues for the year ended December 31, 2023 increased $460.3 million, or 15.2%, as compared with the year ended December 31, 2022, primarily due to increased demand across all of our business segments.

Special Charges

There were no special charges recorded during the year ended December 31, 2023. For the year ended December 31, 2022, we recorded a special charge of $8.3 million, which consisted of employee severance and other employee-related costs associated with programmatic headcount reductions primarily in our FLC and Corporate Finance segments to realign our workforce with business demand.

Net income

Net income for the year ended December 31, 2023 increased $39.4 million, or 16.7%, as compared with the year ended December 31, 2022. Higher revenues were partially offset by an increase in billable compensation expenses resulting in higher gross profit. The increase in billable compensation expense includes the impact of an increase in billable headcount. The increase in gross profit was partially offset by higher selling, general and administrative (“SG&A”) expenses, primarily due to higher non-billable compensation expenses, which includes the impact of an increase in non-billable headcount, an increase in bad debt, outside services and other general and administrative expenses resulting in higher operating income. Operating income was partially offset by higher income taxes resulting in an increase in net income.

Adjusted EBITDA

Adjusted EBITDA for the year ended December 31, 2023 increased $67.2 million, or 18.8%, as compared with the year ended December 31, 2022. Adjusted EBITDA Margin of 12.2% of revenues for the year ended December 31, 2023 compared with 11.8% of revenues for the year ended December 31, 2022. Higher revenues were partially offset by an increase in billable compensation expenses resulting in higher gross profit. The increase in billable compensation expense includes the impact of an increase in billable headcount. The increase in gross profit was partially offset by higher SG&A expenses, primarily due to higher non-billable compensation expenses, which includes the impact of an increase in non-billable headcount, an increase in bad debt, outside services and other general and administrative expenses resulting in higher Adjusted EBITDA.

EPS and Adjusted EPS

EPS for the year ended December 31, 2023 increased $1.13 to $7.71 compared with $6.58 for the year ended December 31, 2022. The increase in EPS was primarily due to the higher net income described above.

Adjusted EPS for the year ended December 31, 2023 increased $0.94 to $7.71 compared with $6.77 for the year ended December 31, 2022. Adjusted EPS for the year ended December 31, 2022 excluded the $8.3 million special charge, which increased Adjusted EPS by $0.19.

Liquidity and Capital Allocation

Net cash provided by operating activities for the year ended December 31, 2023 increased $35.7 million to $224.5 million compared with $188.8 million for the year ended December 31, 2022. The increase in net cash provided by operating activities was primarily due to higher cash collections resulting from increased billings. The increase was partially offset by higher compensation expenses primarily related to headcount growth, an increase in other operating expenses and higher use of working capital required for growth. Days sales outstanding ("DSO") was 100 days at December 31, 2023 and 97 days at December 31, 2022.

Free Cash Flow was an inflow of $174.9 million and $135.7 million for the years ended December 31, 2023 and 2022, respectively. The increase in Free Cash Flow for the year ended December 31, 2023 was primarily due to higher net cash provided by operating activities, as described above.

Net cash provided by operating activities and existing cash resources, including our senior secured bank revolving credit facility ("Credit Facility") were used to repay the $315.8 million principal amount of our 2.0% convertible senior notes due 2023 ("2023 Convertible Notes") at maturity. Additionally, a portion of net cash provided by operating activities was used to purchase a $24.4 million short-term investment and to repurchase and retire 112,139 shares of our common stock under our Repurchase Program for an average price per share of $158.70, at a total cost of $17.8 million during the year ended December 31, 2023. We had $460.7 million remaining under the Repurchase Program to repurchase additional shares as of December 31, 2023.

Headcount

The following table includes the net headcount additions by segment and in total for the year ended December 31, 2023.

	Billable Headcount							
	Corporate Finance [(1)]	FLC [(1)]	Economic Consulting	Technology	Strategic Communications	Total	Non-Billable Headcount	Total Headcount
December 31, 2022	2,100	1,430	1,007	556	970	6,063	1,572	7,635
Additions, net	115	17	82	72	1	287	68	355
December 31, 2023	2,215	1,447	1,089	628	971	6,350	1,640	7,990
Percentage change in headcount from December 31, 2022	5.5%	1.2%	8.1%	12.9%	0.1%	4.7%	4.3%	4.6%

(1) Effective July 1, 2023, prior period segment information for the Corporate Finance and FLC segments has been recast in this Annual Report to include the reclassification of the portion of the Company's health solutions practice in the FLC segment to our realigned business transformation practice within our Corporate Finance segment.

RESULTS OF OPERATIONS

Segment and Consolidated Operating Results:

	Year Ended December 31, 2023	Year Ended December 31, 2022
	(in thousands, except per share data)	
Revenues		
Corporate Finance [1]	$ 1,346,678	$ 1,147,118
FLC [1]	654,105	579,933
Economic Consulting	771,374	695,208
Technology	387,855	319,983
Strategic Communications	329,230	286,666
Total revenues	$ 3,489,242	$ 3,028,908
Segment operating income		
Corporate Finance [1]	$ 216,504	$ 197,424
FLC [1]	81,296	52,693
Economic Consulting	109,818	98,178
Technology	48,196	33,431
Strategic Communications	47,167	46,982
Total segment operating income	502,981	428,708
Unallocated corporate expenses	(125,420)	(124,830)
Operating income	377,561	303,878
Other income (expense)		
Interest income and other	(4,867)	3,918
Interest expense	(14,331)	(10,047)
	(19,198)	(6,129)
Income before income tax provision	358,363	297,749
Income tax provision	83,471	62,235
Net income	$ 274,892	$ 235,514
Earnings per common share — basic	$ 8.10	$ 6.99
Earnings per common share — diluted	$ 7.71	$ 6.58

(1) Effective July 1, 2023, prior period segment information for the Corporate Finance and FLC segments has been recast in this Annual Report to include the reclassification of the portion of the Company's health solutions practice in the FLC segment to our realigned business transformation practice within our Corporate Finance segment.

Reconciliation of Net Income to Adjusted EBITDA:

	Year Ended December 31,	
	2023	2022
	(in thousands)	
Net income	$ 274,892	$ 235,514
Add back:		
Income tax provision	83,471	62,235
Interest income and other	4,867	(3,918)
Interest expense	14,331	10,047
Depreciation and amortization	41,079	35,697
Amortization of intangible assets	6,159	9,643
Special charges	—	8,340
Adjusted EBITDA	$ 424,799	$ 357,558

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

	Year Ended December 31,	
	2023	2022
	(in thousands, except per share data)	
Net income	$ 274,892	$ 235,514
Add back:		
Special charges	—	8,340
Tax impact of special charges	—	(1,584)
Adjusted Net Income	$ 274,892	$ 242,270
Earnings per common share — diluted	$ 7.71	$ 6.58
Add back:		
Special charges	—	0.23
Tax impact of special charges	—	(0.04)
Adjusted earnings per common share — diluted	$ 7.71	$ 6.77
Weighted average number of common shares outstanding — diluted	35,646	35,783

Reconciliation of Net Cash Provided by Operating Activities to Free Cash Flow:

	Year Ended December 31,	
	2023	2022
	(in thousands)	
Net cash provided by operating activities	$ 224,461	$ 188,794
Purchases of property and equipment	(49,562)	(53,098)
Free Cash Flow	$ 174,899	$ 135,696

Year Ended December 31, 2023 Compared with December 31, 2022

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 increased $0.6 million, or 0.5%, to $125.4 million compared with $124.8 million for the year end of December 31, 2022. Excluding the impact of special charges recorded in 2022, unallocated corporate expenses increased by $1.4 million, or 1.1%. The increase was primarily due to higher compensation expenses, which was partially offset by higher allocation of infrastructure support spend.

Interest income and other

Interest income and other, which includes FX gains and losses, decreased $8.8 million to a $4.9 million loss for the year ended December 31, 2023, compared with a $3.9 million gain for the year ended December 31, 2022. The decrease was primarily due to $9.3 million in net FX losses for the year ended December 31, 2023 compared to $0.1 million in net FX gains for the year ended December 31, 2022.

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 increased $4.3 million, or 42.6%, to $14.3 million in 2023 compared with $10.0 million in 2022. The increase was primarily due to higher interest rates on borrowings under our Credit Facility incurred in connection with the repayment at maturity of the principal amount of our 2023 Convertible Notes.

Income tax provision

Our income tax provision increased $21.2 million, or 34.1%, to $83.5 million in 2023 from $62.2 million in 2022. Our effective tax rate of 23.3% for 2023 compared to 20.9% for 2022. The increase in the income tax provision was due to an increase in income before income tax. The higher effective tax rate in 2023 was primarily due an increase in foreign taxes and a less favorable tax benefit related to share-based compensation as compared to 2022 due to fewer shares vesting, which was partially offset by a foreign tax credit benefit.

A portion of the increase of the 2023 effective tax rate was related to the 2022 $9.6 million tax benefit related to the release of a U.S. foreign tax credit valuation allowance which did not recur in 2023, utilization of current year foreign tax credits and a deferred tax benefit arising from an intellectual property license agreement between a U.S. subsidiary of the Company and certain foreign subsidiaries of the Company.

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 years ended December 31, 2023 and 2022:

	Year Ended December 31,	
	2023	2022
	(in thousands)	
Net income	$ 274,892	$ 235,514
Add back:		
Income tax provision	83,471	62,235
Interest income and other	4,867	(3,918)
Interest expense	14,331	10,047
Unallocated corporate expenses	125,420	124,830
Total segment operating income	502,981	428,708
Add back:		
Segment depreciation expense	39,233	32,876
Amortization of intangible assets	6,159	9,642
Segment special charges	—	7,564
Total Adjusted Segment EBITDA	$ 548,373	$ 478,790

Other Segment Operating Data

	Year Ended December 31,	
	2023	2022
Number of revenue-generating professionals (at period end):		
Corporate Finance [(1)]	2,215	2,100
FLC [(1)]	1,447	1,430
Economic Consulting	1,089	1,007
Technology [(2)]	628	556
Strategic Communications	971	970
Total revenue-generating professionals	6,350	6,063
Utilization rates of billable professionals: [(3)]		
Corporate Finance [(1)]	60 %	60 %
FLC [(1)]	57 %	54 %
Economic Consulting	67 %	68 %
Average billable rate per hour: [(4)]		
Corporate Finance [(1)]	$ 494	$ 456
FLC [(1)]	$ 386	$ 359
Economic Consulting	$ 547	$ 508

(1) Effective July 1, 2023, prior period segment information for the Corporate Finance and FLC segments has been recast in this Annual Report to include the reclassification of the portion of the Company's health solutions practice in the FLC segment to our realigned business transformation practice within our Corporate Finance segment.

(2) 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 670 and 561 as-needed employees during the years ended December 31, 2023 and 2022, respectively.

(3) 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.

(4) For engagements where revenues are based on number of hours worked by our billable professionals and fixed-fee arrangements, 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

	Year Ended December 31, 2023	Year Ended December 31, 2022 [(1)]
	(dollars in thousands, except rate per hour)	
Revenues	$ 1,346,678	$ 1,147,118
Percentage change in revenues from prior year	17.4 %	
Operating expenses		
Direct cost of revenues	914,707	766,514
Selling, general and administrative expenses	210,388	172,760
Special charges	—	2,444
Amortization of intangible assets	5,079	7,976
	1,130,174	949,694
Segment operating income	216,504	197,424
Percentage change in segment operating income from prior year	9.7 %	
Add back:		
Depreciation and amortization of intangible assets	14,333	14,941
Special charges	—	2,444
Adjusted Segment EBITDA	$ 230,837	$ 214,809
Gross profit [(2)]	$ 431,971	$ 380,604
Percentage change in gross profit from prior year	13.5 %	
Gross profit margin [(3)]	32.1 %	33.2 %
Adjusted Segment EBITDA as a percentage of revenues	17.1 %	18.7 %
Number of revenue-generating professionals (at period end)	2,215	2,100
Percentage change in number of revenue-generating professionals from prior year	5.5 %	
Utilization rate of billable professionals	60 %	60 %
Average billable rate per hour	$ 494	$ 456

(1) Effective July 1, 2023, prior period segment information for the Corporate Finance and FLC segments has been recast in this Annual Report to include the reclassification of the portion of the Company's health solutions practice in the FLC segment to our realigned business transformation practice within our Corporate Finance segment.

(2) Revenues less direct cost of revenues

(3) Gross profit as a percentage of revenues

Year Ended December 31, 2023 Compared with December 31, 2022

Revenues increased $199.6 million, or 17.4%, to $1,346.7 million for the year ended December 31, 2023, primarily due to increased demand and realized bill rates across our restructuring and business transformation & strategy services.

Gross profit increased $51.4 million, or 13.5%, to $432.0 million for the year ended December 31, 2023. Gross profit margin decreased 1.1 percentage points from 2022 to 2023. The decrease in gross profit margin was largely due to an increase in contractor costs.

SG&A expenses increased $37.6 million, or 21.8%, to $210.4 million for the year ended December 31, 2023. SG&A expenses of 15.6% of revenues in 2023 compared with 15.1% in 2022. The increase in SG&A expenses was primarily due to higher infrastructure support, bad debt, compensation, and other general and administrative expenses.

FORENSIC AND LITIGATION CONSULTING

	Year Ended December 31, 2023	Year Ended December 31, 2022 [1]
	(dollars in thousands, except rate per hour)	
Revenues	$ 654,105	$ 579,933
Percentage change in revenues from prior year	12.8 %	
Operating expenses		
Direct cost of revenues	437,318	403,921
Selling, general and administrative expenses	134,708	117,728
Special charges	—	4,614
Amortization of intangible assets	783	977
	572,809	527,240
Segment operating income	81,296	52,693
Percentage change in segment operating income from prior year	54.3 %	
Add back:		
Depreciation and amortization of intangible assets	6,813	6,266
Special charges	—	4,614
Adjusted Segment EBITDA	$ 88,109	$ 63,573
Gross profit [2]	$ 216,787	$ 176,012
Percentage change in gross profit from prior year	23.2 %	
Gross profit margin [3]	33.1 %	30.4 %
Adjusted Segment EBITDA as a percentage of revenues	13.5 %	11.0 %
Number of revenue-generating professionals (at period end)	1,447	1,430
Percentage change in number of revenue-generating professionals from prior year	1.2 %	
Utilization rate of billable professionals	57 %	54 %
Average billable rate per hour	$ 386	$ 359

(1) Effective July 1, 2023, prior period segment information for the Corporate Finance and FLC segments has been recast in this Annual Report to include the reclassification of the portion of the Company's health solutions practice in the FLC segment to our realigned transformation practice within our Corporate Finance segment.

(2) Revenues less direct cost of revenues

(3) Gross profit as a percentage of revenues

Year Ended December 31, 2023 Compared with December 31, 2022

Revenues increased $74.2 million, or 12.8%, to $654.1 million for the year ended December 31, 2023, primarily due to higher demand and realized bill rates for our investigations and construction solutions services and higher demand for our data & analytics services.

Gross profit increased $40.8 million, or 23.2%, to $216.8 million for the year ended December 31, 2023. Gross profit margin increased 2.8 percentage points from 2022 to 2023. The increase in gross profit margin was primarily due to a 3 percentage point increase in utilization and higher realized bill rates.

SG&A expenses increased $17.0 million, or 14.4%, to $134.7 million for the year ended December 31, 2023. SG&A expenses of 20.6% of revenues in 2023 compared with 20.3% in 2022. The increase in SG&A expenses was primarily driven by higher infrastructure support, compensation and bad debt expenses.

ECONOMIC CONSULTING

	Year Ended December 31,	
	2023	2022
	(dollars in thousands, except rate per hour)	
Revenues	$ 771,374	$ 695,208
Percentage change in revenues from prior year	11.0 %	
Operating expenses		
Direct cost of revenues	552,697	510,987
Selling, general and administrative expenses	108,859	86,012
Special charges	—	31
	661,556	597,030
Segment operating income	109,818	98,178
Percentage change in segment operating income from prior year	11.9 %	
Add back:		
Depreciation and amortization	5,989	4,881
Special charges	—	31
Adjusted Segment EBITDA	$ 115,807	$ 103,090
Gross profit [(1)]	$ 218,677	$ 184,221
Percentage change in gross profit from prior year	18.7 %	
Gross profit margin [(2)]	28.3 %	26.5 %
Adjusted Segment EBITDA as a percentage of revenues	15.0 %	14.8 %
Number of revenue-generating professionals (at period end)	1,089	1,007
Percentage change in number of revenue-generating professionals from prior year	8.1 %	
Utilization rate of billable professionals	67 %	68 %
Average billable rate per hour	$ 547	$ 508

(1) Revenues less direct cost of revenues

(2) Gross profit as a percentage of revenues

Year Ended December 31, 2023 Compared with December 31, 2022

Revenues increased $76.2 million, or 11.0%, to $771.4 million for the year ended December 31, 2023, primarily due to higher realized bill rates and demand for our non-M&A-related antitrust services and higher demand and realized bill rates for our financial economics and international arbitration services.

Gross profit increased $34.5 million, or 18.7%, to $218.7 million for the year ended December 31, 2023. Gross profit margin increased 1.9 percentage points from 2022 to 2023. The increase in gross profit margin was primarily due to lower variable compensation expenses as a percentage of revenues and higher realized bill rates, which was partially offset by a 1 percentage point decline in utilization.

SG&A expenses increased $22.8 million, or 26.6%, to $108.9 million for the year ended December 31, 2023. SG&A expenses of 14.1% of revenues in 2023 compared with 12.4% in 2022. The increase in SG&A expenses was primarily driven by higher infrastructure support, bad debt, compensation, outside services, and other general and administrative expenses.

TECHNOLOGY

	Year Ended December 31,	
	2023	2022
	(dollars in thousands)	
Revenues	$ 387,855	$ 319,983
Percentage change in revenues from prior year	21.2 %	
Operating expenses		
Direct cost of revenues	239,343	206,611
Selling, general and administrative expenses	100,316	79,835
Special charges	—	106
	339,659	286,552
Segment operating income	48,196	33,431
Percentage change in segment operating income from prior year	44.2 %	
Add back:		
Depreciation and amortization	14,515	13,161
Special charges	—	106
Adjusted Segment EBITDA	$ 62,711	$ 46,698
Gross profit [1]	$ 148,512	$ 113,372
Percentage change in gross profit from prior year	31.0 %	
Gross profit margin [2]	38.3 %	35.4 %
Adjusted Segment EBITDA as a percentage of revenues	16.2 %	14.6 %
Number of revenue-generating professionals (at period end) [3]	628	556
Percentage change in number of revenue-generating professionals from prior year	12.9 %	

(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

Year Ended December 31, 2023 Compared with December 31, 2022

Revenues increased $67.9 million, or 21.2%, to $387.9 million for the year ended December 31, 2023, primarily due to increased demand for investigations and litigation services, which was partially offset by lower demand for information governance, privacy & security services.

Gross profit increased $35.1 million, or 31.0%, to $148.5 million for the year ended December 31, 2023. Gross profit margin increased 2.9 percentage points from 2022 to 2023. The increase in gross profit margin was primarily due to an increased mix and profitability of our hosting and consulting services, which was partially offset by lower mix of our higher margin processing services.

SG&A expenses increased $20.5 million, or 25.7%, to $100.3 million for the year ended December 31, 2023. SG&A expenses of 25.9% of revenues for 2023 compared with 24.9% in 2022. The increase in SG&A expenses was primarily due to higher compensation, infrastructure support, bad debt expenses and lease abandonment costs.

STRATEGIC COMMUNICATIONS

	Year Ended December 31,	
	2023	2022
	(dollars in thousands)	
Revenues	$ 329,230	$ 286,666
Percentage change in revenues from prior year	14.8 %	
Operating expenses		
Direct cost of revenues	210,151	177,910
Selling, general and administrative expenses	71,615	60,716
Special charges	—	369
Amortization of intangible assets	297	689
	282,063	239,684
Segment operating income	47,167	46,982
Percentage change in segment operating income from prior year	0.4 %	
Add back:		
Depreciation and amortization of intangible assets	3,742	3,269
Special charges	—	369
Adjusted Segment EBITDA	$ 50,909	$ 50,620
Gross profit (1)	$ 119,079	$ 108,756
Percentage change in gross profit from prior year	9.5 %	
Gross profit margin (2)	36.2 %	37.9 %
Adjusted Segment EBITDA as a percentage of revenues	15.5 %	17.7 %
Number of revenue-generating professionals (at period end)	971	970
Percentage change in number of revenue-generating professionals from prior year	0.1 %	

(1) Revenues less direct cost of revenues

(2) Gross profit as a percentage of revenues

Year Ended December 31, 2023 Compared with December 31, 2022

Revenues increased $42.6 million, or 14.8%, to $329.2 million for the year ended December 31, 2023, primarily driven by higher demand for our corporate reputation and public affairs services.

Gross profit increased $10.3 million, or 9.5%, to $119.1 million for the year ended December 31, 2023. Gross profit margin decreased 1.8 percentage points from 2022 to 2023. The decrease in gross profit margin was primarily driven by higher compensation expenses as a percentage of revenues.

SG&A expenses increased $10.9 million, or 18.0%, to $71.6 million for the year ended December 31, 2023. SG&A expenses of 21.8% of revenues in 2023 compared with 21.2% in 2022. The increase in SG&A expenses was primarily driven by higher infrastructure support, travel and entertainment, compensation, and other general and administrative expenses.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity

We typically finance our day-to-day operations, capital expenditures, acquisitions and share repurchases through cash flows from operations. We believe that our cash flows from operations, supplemented by borrowings under our Credit Facility, as necessary, will provide adequate cash to fund our cash needs for at least the next 12 months. Generally, our cash flows from operations for the full year exceed our cash needs for capital expenditures and debt service requirements.

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.

Results of operations for our non-U.S. subsidiaries are translated from the designated functional currency to our reporting currency of USD. Revenues and expenses are translated at average exchange rates for each month, while assets and liabilities are translated at balance sheet date exchange rates. Resulting net translation adjustments are recorded as a component of stockholders' equity in "Accumulated other comprehensive loss."

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 events beyond our control that could result in a material adverse impact on our business, 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 such as economic and workforce disruptions arise, including any future impact of future public health crises, 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 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. See information under the heading "Risk Factors" in Part I, Item 1A of this Annual Report.

Cash Flows

Cash Flows	Year Ended December 31, 2023	2022
	(dollars in thousands)	
Net cash provided by operating activities	$ 224,461	$ 188,794
Net cash used in investing activities	$ (73,835)	$ (60,061)
Net cash used in financing activities	$ (354,663)	$ (106,012)
Effect of exchange rate changes on cash and cash equivalents	$ 15,571	$ (25,518)
DSO [(1)]	100	97

(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 accounts receivable, net 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.

Year Ended December 31, 2023 Compared with December 31, 2022

Net cash provided by operating activities of $224.5 million for 2023 compared with $188.8 million for 2022. The increase of $35.7 million, or 18.9%, in net cash provided by operating activities was primarily due to higher cash collections resulting from increased billings. The increase was partially offset by higher compensation expenses primarily related to headcount growth, an increase in other operating expenses and higher use of working capital required for growth. DSO was 100 days as of December 31, 2023 and 97 days as of December 31, 2022.

Net cash used in investing activities of $73.8 million for 2023 compared with $60.1 million for 2022. The increase of $13.8 million, or 22.9%, in net cash used in investing activities was primarily due to a $24.4 million payment for a short-term investment during 2023, as there were no payments for short-term investments during 2022, and a $3.8 million increase in capital expenditures. These increases were partially offset by a $6.7 million decrease in payments for the acquisition of businesses, as there were no acquisitions of businesses during 2023.

Net cash used in financing activities of $354.7 million for 2023 compared with $106.0 million for 2022. The increase of $248.7 million, or 234.5%, in net cash used in financing activities was primarily due to the repayment of the $315.8 million principal amount of our 2023 Convertible Notes at maturity, which was partially offset by a decrease of $64.4 million in payments for common stock repurchases under the Repurchase Program as compared to 2022.

The effect of exchange rate changes on cash and cash equivalents had a favorable impact of $15.6 million for 2023 compared to an unfavorable impact of $25.5 million for 2022.

Principal Sources of Capital Resources

As of December 31, 2023, our capital resources included $303.2 million of cash and cash equivalents, a $24.4 million short-term investment and available borrowing capacity of $899.9 million under the $900.0 million revolving line of credit under our Credit Facility. As of December 31, 2023, we had no outstanding borrowings under our Credit Facility and $0.1 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 $900.0 million revolving line of credit under our Credit Facility includes a $125.0 million sublimit for borrowings in currencies other than USD, including the euro, British pound, Australian dollar, Canadian dollar, Swiss franc and Japanese yen.

The availability of borrowings, as well as issuances and extensions of letters of credit under our Credit Facility, are subject to specified conditions. 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 $1.2 billion. See Note 14, "Debt" in Part II, Item 8, of this Annual Report for a further discussion of variable interest rates and guarantees under the Credit Facility.

The second amended and restated credit agreement entered into on November 21, 2022 (the "Credit Agreement") governing the Credit Facility and our other indebtedness outstanding from time to time contains 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 $300.0 million) to Consolidated EBITDA, as defined in the Credit Agreement). As of December 31, 2023, we were in compliance with the covenants contained in the Credit Agreement. See Note 14, "Debt" in Part II, Item 8 for a further discussion of the Credit Agreement.

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;
- 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 2023, we spent $49.6 million in capital expenditures to support our organization, including direct support for specific client engagements. During 2024, we currently expect to make capital expenditures to support our organization in an aggregate amount of between $35 million and $42 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 acquisitions.

Share Repurchase Program

During the year ended December 31, 2023, we made $21.0 million in payments for common stock repurchases under the Repurchase Program. We had $460.7 million remaining under the Repurchase Program to repurchase additional shares as of December 31, 2023.

Future Contractual Obligations

We have no future contractual obligations as of December 31, 2023 related to outstanding borrowings under our Credit Facility. For more information on our Credit Facility, refer to Note 14, "Debt" in Part II, Item 8. Under our operating leases as described in Note 15, "Leases" in Part II, Item 8, we have current obligations of $33.9 million and non-current obligations of $223.8 million.

The above 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.

Critical Accounting Estimates

General. Our discussion and analysis of our financial condition and results of operations are based on our 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. Refer to Note 1, "Description of Business and Summary of Significant Accounting Policies" in our consolidated financial statements for further information on our significant accounting policies.

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.

We believe that the following critical accounting estimates reflect our more significant judgments used in the preparation of our consolidated financial statements.

Revenue Recognition. We generate the majority of our revenues by providing consulting services to our clients. We recognize revenues primarily from three different types of arrangements: time and expense, fixed-fee and performance-based or contingent arrangements.

Certain fees in our time and expense 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 receive 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.

In fixed-fee arrangements, we agree to a pre-established fee in exchange for a predetermined set of professional services. We estimate revenues using a proportional performance method, which is based on work completed to-date versus our estimates of the total services to be performed over the life of the contract.

In performance-based or contingent arrangements, fees are based on contractually defined objectives, such as completing a business transaction or assisting the client in achieving a specific business objective. Variable consideration to be included in the transaction price is estimated using the expected value method or the most likely amount method based on facts and circumstances. We recognize revenues earned 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.

Our estimates are monitored continually throughout the life of each contract and are based on the nature of the engagement, client economics, historical experiences, available information and other appropriate factors. While we believe that our estimates and assumptions used for revenue recognition are reasonable, subsequent changes could materially impact our results of operations.

Goodwill and Intangible Assets. We evaluate our goodwill and indefinite-lived intangible assets for impairment annually as of the first day of the fourth quarter and whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. We assess our goodwill for impairment at the reporting unit level.

As part of the evaluation of goodwill and intangible assets for potential impairment, we exercise judgment to:

- Perform a qualitative assessment to determine whether it is “more likely than not” that the fair value of a reporting unit is less than it’s carrying value. Factors we consider when making the determination include assessing macroeconomic conditions, industry and market considerations, cost factors, overall financial performance, and other relevant reporting unit specific events;

- Decide whether to bypass the qualitative assessment and perform a quantitative assessment. Factors we consider when making this determination include changes in the Company or general economic conditions since the previous quantitative assessment was performed, the amount by which the fair value exceeded the carrying value at that time and the period of time that has passed since such quantitative assessment; and

- Perform a quantitative assessment by comparing the estimated fair value of the reporting unit with the carrying amount of that reporting unit. We estimate fair value using a combination of an income approach (based on discounted cash flows) and market approach, using appropriate weighting factors.

The cash flows employed in the income approach are based on our most recent forecasts, budgets and business plans, as well as various growth rate assumptions for years beyond the current business plan period, discounted using an estimated weighted average cost of capital, which reflects an assessment of the risk inherent in the future revenue streams and cash flows. In the market approach, we utilize market multiples derived from comparable guideline companies and comparable market transactions to the extent available. These valuations are based on estimates and assumptions, including projected future cash flows, determination of appropriate comparable guideline companies and the determination of whether a premium or discount should be applied to such comparable guideline companies.

The process of evaluating the potential impairment of goodwill requires significant judgment and estimates. In 2023, we performed our annual impairment tests for each of our reporting units. The results of that test indicated that for each of our reporting units, no impairment existed. If market conditions significantly deteriorate from our current assumptions regarding forecasted cash flows, we may be required to record goodwill impairment charges in future periods. It is not possible at this time to determine if any future impairment charge would result or, if it does, whether such charge would be material.

Intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. These events or changes in circumstances may include a significant deterioration of operating results, changes in business plans or changes in anticipated future cash flows. If an impairment indicator is present, we evaluate recoverability of assets to be held and used by a comparison of the carrying value of the assets with future undiscounted net cash flows expected to be generated by the assets. We group assets at the lowest level for which there are identifiable cash flows that are largely independent of the cash flows generated by other asset groups. If the total of the expected undiscounted future cash flows is less than the carrying amount of the asset group, we estimate the fair value of the asset group to determine whether an impairment loss should be recognized. No impairment charges for intangible assets were recorded in 2023.

Significant New Accounting Pronouncements

See Note 2, "New Accounting Standards" in Part II, Item 8 of this Annual Report.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to market risk from changes in interest rates and foreign exchange rates.

Interest Rate Risk and Market Risk

We are exposed to interest rate risk associated with borrowings under our Credit Facility. For details related to variable interest rates on our Credit Facility, refer to Note 14, "Debt" in Part II Item 8 of this Annual Report. As of December 31, 2023, our Credit Facility had no borrowings outstanding. Variable interest borrowings had a weighted average interest rate of 7.09% during the twelve months ended December 31, 2023. A hypothetical 100 basis point increase in interest rate for the year ended December 31, 2023 would have a $0.8 million effect on interest expense. As of December 31, 2022, our Credit Facility had no borrowings outstanding. Variable interest borrowings had a weighted average interest rate of 3.64% during the twelve months ended December 31, 2022. A hypothetical 100 basis point increase in interest rate for the year ended December 31, 2022 would have a $0.1 million effect on interest expense. Future interest rate risk may be affected by revolving line of credit borrowings subsequent to December 31, 2023 and prior to the November 21, 2027 maturity date of our Credit Facility.

Foreign Currency Exchange Rate Risk

Exchange Rate Risk

Our FX exposure primarily relates to intercompany receivables and payables and third-party receivables and payables that are denominated in currencies other than the functional currency of our legal entities. Our largest FX exposure is unsettled intercompany payables and receivables, which are reviewed on a regular basis. In cases where settlement of intercompany balances is not practical, we may use cash to create offsetting currency positions to reduce exposure. Gains and losses from FX transactions are included in interest income and other on our Consolidated Statements of Comprehensive Income. See Note 8, "Interest Income and Other" in Part II, Item 8 of this Annual Report for information.

Translation of Financial Results

Most of our foreign subsidiaries operate in a currency other than USD; therefore, increases or decreases in the value of USD against other major currencies will affect our operating results and the value of our balance sheet items denominated in foreign currencies. Our most significant exposures to translation risk relate to functional currency assets and liabilities that are denominated in the Euro, Australian dollar, British pound and Canadian dollar. The following table details the unrealized changes in the net investments of foreign subsidiaries whose currencies are denominated in currencies other than USD for the years ended December 31, 2023, 2022 and 2021. These translation adjustments are reflected in "Other comprehensive income (loss)" on our Consolidated Statements of Comprehensive Income.

	Year Ended December 31,		
	2023	2022	2021
Changes in Net Investment of Foreign Subsidiaries		(in thousands)	
Euro	$ 6,210	$ (9,187)	$ (12,381)
Australian dollar	(161)	(4,930)	(4,002)
British pound	15,842	(29,738)	(3,132)
Canadian dollar	1,017	(747)	(247)
All other	3,354	(3,280)	(2,643)
Total	$ 26,262	$ (47,882)	$ (22,405)

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

FTI Consulting, Inc. and Subsidiaries

Consolidated Financial Statements

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Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting and for performing an assessment of the effectiveness of internal control over financial reporting as of December 31, 2023. Internal control over financial reporting is a process designed 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. Our system of internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets, (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that our receipts and expenditures are being made only in accordance with the authorization of our management and directors, and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements. Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting as of December 31, 2023 based on the framework in the 2013 Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on that evaluation, our management concluded that our internal control over financial reporting was effective as of December 31, 2023.

KPMG LLP, the independent registered public accounting firm that audited our financial statements, has issued an audit report on their assessment of internal control over financial reporting, which is included elsewhere in this Annual Report.

Date: February 22, 2024

/s/ STEVEN H. GUNBY

Steven H. Gunby
President and Chief Executive Officer
(Principal Executive Officer)

/s/ AJAY SABHERWAL

Ajay Sabherwal
Chief Financial Officer
(Principal Financial Officer)

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors
FTI Consulting, Inc.:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of FTI Consulting, Inc. and subsidiaries (the Company) as of December 31, 2023 and 2022, the related consolidated statements of comprehensive income, stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2023, and the related notes (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2023, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2023, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated February 22, 2024 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of a critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Changes in estimates of potential fee reductions

As discussed in Note 1 to the consolidated financial statements, for certain arrangements, the Company records revenues based on the amount it estimates it will be entitled to in exchange for its services and only to the extent that a significant reversal of revenue is not likely to occur when the uncertainty associated with the estimate is subsequently resolved. The Company records changes to revenue when there are changes in estimates of potential fee reductions imposed by bankruptcy courts or other regulatory agencies or negotiated with specific clients. Revenues for the year ended December 31, 2023 were $3,489,242 thousand, which includes the previously mentioned changes.

We identified the evaluation of changes in estimates of potential fee reductions as a critical audit matter. There was a high degree of subjectivity and audit effort in evaluating the likely outcome of potential fee reductions imposed by bankruptcy courts or other regulatory agencies or negotiated by specific clients, which may vary depending on the nature of the engagement, client economics, historical experience and other appropriate factors.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls related to the Company’s revenue process, including controls related to the monthly analysis of estimated potential fee reductions by arrangement, and review of the related changes to revenue. For a sample of changes in estimates of potential fee reductions, we inspected relevant evidence, including: (1) contractual documents, (2) regulatory correspondence if applicable, and (3) historical trends and analysis performed by the Company that supported the change, and also inquired of relevant Company personnel to assess the rationale for making the change. For a sample of arrangements, we assessed the existence and accuracy of the billed receivables by confirming amounts recorded directly with the Company’s clients. We compared actual collections and write-offs to previous billed and unbilled receivables to assess the Company’s ability to accurately record changes in estimates of potential fee reductions.

/s/ KPMG LLP

We have served as the Company's auditor since 2006.

McLean, Virginia
February 22, 2024

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors
FTI Consulting, Inc.:

Opinion on Internal Control Over Financial Reporting

We have audited FTI Consulting, Inc. and subsidiaries' (the Company) internal control over financial reporting as of December 31, 2023, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2023, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2023 and 2022, the related consolidated statements of comprehensive income, stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2023, and the related notes (collectively, the consolidated financial statements), and our report dated February 22, 2024 expressed an unqualified opinion on those consolidated financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ KPMG LLP

McLean, Virginia
February 22, 2024

Consolidated Balance Sheets

(in thousands, except per share data)

	December 31, 2023	December 31, 2022
Assets		
Current assets		
Cash and cash equivalents	$ 303,222	$ 491,688
Accounts receivable, net	1,102,142	896,153
Current portion of notes receivable	30,997	27,292
Prepaid expenses and other current assets	119,092	95,469
Total current assets	1,555,453	1,510,602
Property and equipment, net	159,662	153,466
Operating lease assets	208,910	203,764
Goodwill	1,234,569	1,227,593
Intangible assets, net	18,285	25,514
Notes receivable, net	75,431	55,978
Other assets	73,568	64,490
Total assets	$ 3,325,878	$ 3,241,407
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable, accrued expenses and other	$ 223,758	$ 173,953
Accrued compensation	601,074	541,892
Billings in excess of services provided	67,937	53,646
Total current liabilities	892,769	769,491
Long-term debt, net	—	315,172
Noncurrent operating lease liabilities	223,774	221,604
Deferred income taxes	140,976	162,374
Other liabilities	86,939	91,045
Total liabilities	1,344,458	1,559,686
Commitments and contingencies (Note 16)		
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 —35,521 (2023) and 34,026 (2022)	355	340
Additional paid-in capital	16,760	—
Retained earnings	2,114,765	1,858,103
Accumulated other comprehensive loss	(150,460)	(176,722)
Total stockholders' equity	1,981,420	1,681,721
Total liabilities and stockholders' equity	$ 3,325,878	$ 3,241,407

See accompanying notes to consolidated financial statements.

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

	Year Ended December 31, 2023	2022	2021
Revenues	$ 3,489,242	$ 3,028,908	$ 2,776,222
Operating expenses			
Direct cost of revenues	2,354,216	2,065,977	1,915,507
Selling, general and administrative expenses	751,306	641,070	537,844
Special charges	—	8,340	—
Amortization of intangible assets	6,159	9,643	10,823
	3,111,681	2,725,030	2,464,174
Operating income	377,561	303,878	312,048
Other income (expense)			
Interest income and other	(4,867)	3,918	6,193
Interest expense	(14,331)	(10,047)	(20,294)
	(19,198)	(6,129)	(14,101)
Income before income tax provision	358,363	297,749	297,947
Income tax provision	83,471	62,235	62,981
Net income	$ 274,892	$ 235,514	$ 234,966
Earnings per common share — basic	$ 8.10	$ 6.99	$ 7.02
Earnings per common share — diluted	$ 7.71	$ 6.58	$ 6.65
Other comprehensive income (loss), net of tax			
Foreign currency translation adjustments, net of tax expense of $—, $— and $—	$ 26,262	$ (47,882)	$ (22,405)
Total other comprehensive income (loss), net of tax	26,262	(47,882)	(22,405)
Comprehensive income	$ 301,154	$ 187,632	$ 212,561

See accompanying notes to consolidated financial statements.

FTI Consulting, Inc. and Subsidiaries

Consolidated Statements of Stockholders' Equity
(in thousands)

	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	—	$ —	$ —	$ 234,966	$ —	$ 234,966
Other comprehensive loss:						
Cumulative translation adjustment	—	—	—	—	(22,405)	(22,405)
Issuance of common stock in connection with:						
Exercise of options	78	1	2,693	—	—	2,694
Restricted share grants, less net settled shares of 94	196	1	(11,636)	—	—	(11,635)
Stock units issued under incentive compensation plan	—	—	2,603	—	—	2,603
Purchase and retirement of common stock	(422)	(4)	(3,047)	(43,081)	—	(46,132)
Conversion of convertible senior notes due 2023	—	—	(2)	—	—	(2)
Share-based compensation	—	—	23,051	—	—	23,051
Balance at December 31, 2021	34,333	$ 343	$ 13,662	$ 1,698,156	$ (128,840)	$ 1,583,321
Net income	—	$ —	$ —	$ 235,514	$ —	$ 235,514
Other comprehensive loss:						
Cumulative translation adjustment	—	—	—	—	(47,882)	(47,882)
Issuance of common stock in connection with:						
Exercise of options	68	—	2,317	—	—	2,317
Restricted share grants, less net settled shares of 116	199	2	(17,955)	—	—	(17,953)
Stock units issued under incentive compensation plan	—	—	1,664	—	—	1,664
Purchase and retirement of common stock	(574)	(5)	(88,601)	—	—	(88,606)
Cumulative effect due to adoption of new accounting standard	—	—	(34,131)	22,078	—	(12,053)
Conversion of convertible senior notes due 2023	—	—	(15)	—	—	(15)
Share-based compensation	—	—	25,414	—	—	25,414
Reclassification of negative additional paid-in capital	—	—	97,645	(97,645)	—	—
Balance at December 31, 2022	34,026	$ 340	$ —	$ 1,858,103	$ (176,722)	$ 1,681,721
Net income	—	$ —	$ —	$ 274,892	$ —	$ 274,892
Other comprehensive income:						
Cumulative translation adjustment	—	—	—	—	26,262	26,262
Issuance of common stock in connection with:						
Exercise of options	38	—	1,297	—	—	1,297
Restricted share grants, less net settled shares of 91	108	1	(16,375)	—	—	(16,374)
Stock units issued under incentive compensation plan	—	—	2,274	—	—	2,274
Settlement of conversion premium of convertible senior notes due 2023	1,461	15	(21)	—	—	(6)
Purchase and retirement of common stock	(112)	(1)	(17,798)	—	—	(17,799)
Conversion of convertible senior notes due 2023	—	—	(381)	—	—	(381)
Share-based compensation	—	—	29,534	—	—	29,534
Reclassification of negative additional paid-in capital	—	—	18,230	(18,230)	—	—
Balance at December 31, 2023	35,521	$ 355	$ 16,760	$ 2,114,765	$ (150,460)	$ 1,981,420

See accompanying notes to consolidated financial statements.

FTI Consulting, Inc. and Subsidiaries

Consolidated Statements of Cash Flows
(in thousands)

	Year Ended December 31,		
	2023	2022	2021
Operating activities			
Net income	$ 274,892	$ 235,514	$ 2
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	41,079	35,898	
Amortization of intangible assets	6,159	9,643	
Acquisition-related contingent consideration	3,818	2,172	
Provision for expected credit losses	35,149	19,684	
Share-based compensation	29,534	25,414	
Amortization of debt discount and issuance costs and other	1,925	2,224	
Deferred income taxes	(25,453)	(10,456)	
Changes in operating assets and liabilities, net of effects from acquisitions:			
Accounts receivable, billed and unbilled	(229,296)	(182,667)	(
Notes receivable	(22,919)	(403)	
Prepaid expenses and other assets	7,606	459	
Accounts payable, accrued expenses and other	8,687	8,430	
Income taxes	29,335	(4,322)	
Accrued compensation	50,186	37,931	
Billings in excess of services provided	13,759	9,273	
Net cash provided by operating activities	224,461	188,794	3
Investing activities			
Payments for acquisition of businesses, net of cash received	—	(6,742)	(
Purchases of property and equipment and other	(49,479)	(53,319)	(
Purchase of short-term investment	(24,356)	—	
Net cash used in investing activities	(73,835)	(60,061)	(
Financing activities			
Borrowings under revolving line of credit	835,000	165,000	4
Repayments under revolving line of credit	(835,000)	(165,000)	(4
Repayment of convertible notes	(315,763)	—	
Payments of debt issuance costs	—	(3,993)	
Purchase and retirement of common stock	(20,982)	(85,424)	(
Share-based compensation tax withholdings and other	(15,078)	(15,330)	
Payments for business acquisition liabilities	(3,651)	(4,848)	
Deposits and other	811	3,583	
Net cash used in financing activities	(354,663)	(106,012)	(
Effect of exchange rate changes on cash and cash equivalents	15,571	(25,518)	(
Net increase (decrease) in cash and cash equivalents	(188,466)	(2,797)	1
Cash and cash equivalents, beginning of period	491,688	494,485	2
Cash and cash equivalents, end of period	$ 303,222	$ 491,688	$ 4
Supplemental cash flow disclosures			
Cash paid for interest	$ 14,390	$ 7,836	$
Cash paid for income taxes, net of refunds	$ 79,588	$ 77,013	$
Non-cash investing and financing activities:			
Issuance of stock units under incentive compensation plans	$ 2,274	$ 1,664	$
Business acquisition liabilities not yet paid	$ —	$ 5,593	$
Non-cash additions to property and equipment	$ 950	$ 4,272	$

See accompanying notes to consolidated financial statements.

Notes to Consolidated Financial Statements

(dollar and share amounts in tables expressed in thousands, except per share data)

1. Description of Business and Summary of Significant Accounting Policies

Description of Business

FTI Consulting, Inc., including its consolidated subsidiaries (collectively, the "Company," "we," "our" or "FTI Consulting"), 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 operate through five reportable segments: Corporate Finance & Restructuring ("Corporate Finance"), Forensic and Litigation Consulting ("FLC"), Economic Consulting, Technology and Strategic Communications.

Accounting Principles

Our financial statements are prepared in conformity with United States ("U.S.") generally accepted accounting principles ("GAAP"). The consolidated financial statements include the accounts of FTI Consulting and all of our subsidiaries. All intercompany transactions and balances have been eliminated. Reclassifications of certain prior period amounts have been made to conform to the current period presentation.

Foreign Currency

Results of operations for our non-U.S. subsidiaries are translated from the designated functional currency to the reporting currency of the U.S. dollar ("USD"). Revenues and expenses are translated at average exchange rates for each month, while assets and liabilities are translated at balance sheet date exchange rates. Resulting net translation adjustments are recorded as a component of stockholders' equity in "Accumulated other comprehensive income (loss)."

Transaction gains and losses arising from currency exchange rate fluctuations on transactions denominated in a currency other than the local functional currency are included in "Interest income and other" on the Consolidated Statements of Comprehensive Income. Such transaction gains and losses may be realized or unrealized depending upon whether the transaction settled during the period or remains outstanding at the balance sheet date.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts in the consolidated financial statements and accompanying notes. Due to the inherent uncertainty involved in making those assumptions, actual results could differ from those estimates. Our most significant estimates relate to revenues and the assessment of the recoverability of goodwill and intangible assets. Other estimates include, but are not limited to, the realization of deferred tax assets and the fair value of acquisition-related contingent consideration. Management bases its estimates on historical trends, projections, current experience and other assumptions that it believes are reasonable.

Concentrations of Risk

We do not have a single customer that represents 10% or more of our consolidated revenues. We derive the majority of our revenues from providing professional services to clients in the U.S. For the year ended December 31, 2023, we derived approximately 37% of our consolidated revenues from the work of professionals who are assigned to locations outside the U.S. We believe that the geographic and industry diversity of our customer base throughout the U.S. and internationally minimizes the risk of incurring material losses due to concentrations of credit risk.

Revenue Recognition

Revenues are recognized when we satisfy a performance obligation by transferring services promised in a contract to a customer and in an amount that reflects the consideration that we expect to receive in exchange for those services. Performance obligations in our contracts represent distinct or separate services that we provide to our customers. If, at the outset of an arrangement, we determine that a contract with enforceable rights and obligations does not exist, revenues are deferred until all criteria for an enforceable contract are met.

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.
- *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 and 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 revenue 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.

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 licensed software products 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.

Reimbursable expenses, including those relating to travel, out-of-pocket expenses, outside consultants and other outside service costs, are generally included in revenues, and an equivalent amount of reimbursable expenses is included in costs of services in the period in which the expense is incurred.

Timing of revenue recognition often differs from the timing of billing to our customers. Generally, we transfer goods or services to a customer before the customer pays consideration or payment is due. If we have an unconditional right to invoice and receive payment for goods or services already provided, we record billed and unbilled receivables on our Consolidated Balance Sheets. Our contract terms generally include a requirement of payment within 30 days when no contingencies exist. Payment terms and conditions vary depending on the jurisdiction, market and type of service, and whether regulatory or other third-party approvals are required. At times, we may execute contracts in a form provided by customers that might include different payment terms and contracts may be negotiated at the client's request.

Direct Cost of Revenues

Direct cost of revenues consists primarily of billable employee compensation and related payroll benefits, the cost of contractors assigned to revenue-generating activities and direct expenses billable to clients. Direct cost of revenues also includes expense for cloud-based computing and depreciation expense on licensed software used to host and process client information. Direct cost of revenues does not include an allocation of corporate overhead and non-billable segment costs.

Share-Based Compensation

Share-based compensation cost is estimated at the grant date based on the fair value of the award and is recognized as expense over the requisite service period or performance period of the award. The amount of share-based compensation expense recognized at any date must at least equal the portion of grant date value of the award that is vested at that date.

The fair value of restricted share awards and restricted stock units is measured based on the closing price of the underlying stock on the date of grant. The fair value of performance stock units that contain market-based vesting conditions is measured using a Monte Carlo pricing model. The compensation cost of performance stock units with market-based vesting conditions is based on the grant date fair value and is not subsequently reversed if it is later determined that the market condition is unlikely to be met or is expected to be lower than originally anticipated. For performance stock units that contain performance-based vesting conditions, the compensation cost is adjusted each reporting period based on the probability of the awards vesting.

For all of our share-based awards, we recognize forfeitures in compensation cost when they occur.

Acquisition-Related Contingent Consideration

The fair value of acquisition-related contingent consideration is estimated at the acquisition date utilizing either a Monte Carlo pricing model or the present value of our probability-weighted estimate of future cash flows. Subsequent to the acquisition date, on a quarterly basis, the contingent consideration liability is remeasured at current fair value with any changes recorded in earnings. Accretion expense is recorded to contingent consideration liabilities for changes in fair value due to the passage of time. Remeasurement gains or losses and accretion expense are included in “Selling, general and administrative” (“SG&A”) expenses on the Consolidated Statements of Comprehensive Income.

Advertising Costs

Advertising costs consist of marketing, advertising through print and other media, professional event sponsorship and public relations. These costs are expensed as incurred. Advertising costs totaled $23.0 million, $19.4 million and $13.0 million for the years ended December 31, 2023, 2022 and 2021, respectively, and are included in SG&A expenses on the Consolidated Statements of Comprehensive Income.

Income Taxes

Our income tax provision consists principally of U.S. federal, state and international income taxes. We generate income in a significant number of states located throughout the U.S. and in foreign countries in which we conduct business. Our effective income tax rate may fluctuate due to a change in the mix of earnings between higher and lower state or country tax jurisdictions and the impact of non-deductible expenses. Additionally, we record deferred tax assets and liabilities using the asset and liability method of accounting, which requires us to measure these assets and liabilities using the enacted tax rates and laws that will be in effect when the differences are expected to reverse. A valuation allowance is recognized if, based on the weight of available evidence, it is more likely than not that some portion, or all, of the deferred tax asset will not be realized. In evaluating our ability to recover our deferred tax assets, we consider all available positive and negative evidence, including scheduled reversals of temporary differences, projected future taxable income, tax planning strategies and recent results of operations.

Cash Equivalents

Cash equivalents consist of money market funds, commercial paper and certificates of deposit with maturities of three months or less at the time of purchase.

Short-term Investment

The short-term investment represents an investment in a certificate of deposit with an original maturity of less than one year and is included in the “Prepaid expenses and other current assets” financial statement line item on the Consolidated Balance Sheets. We classified the short-term investment as held-to-maturity in accordance with Accounting Standards Codification Topic 320, Investments - Debt and Equity Securities. Short-term investments classified as held-to-maturity are financial instruments the Company has the intent and ability to hold until maturity and are reported net of amortized cost. Any interest earned on the short-term investment is recorded in “Interest income and other” on the Consolidated Statements of Comprehensive Income.

Allowance for Expected Credit Losses

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.

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. Adjustments to the allowance for expected credit losses are recorded to SG&A expenses on the Consolidated Statements of Comprehensive Income. Our billed accounts receivables are written off when the potential for recovery is considered remote.

Property and Equipment

We record property and equipment, including improvements that extend useful life, at cost, while maintenance and repairs are expensed as incurred. We calculate depreciation using the straight-line method based on an estimated useful life ranging from less than one year to 11 years for furniture, equipment and software. We amortize leasehold improvements over the shorter of the estimated useful life of the asset or the lease term. We capitalize costs incurred during the application development stage of computer software developed or obtained for internal use. Capitalized software developed for internal use is classified within computer equipment and software and is amortized over the estimated useful life of the software, which ranges from three years to 10 years. Purchased software licenses to be sold to customers are capitalized and amortized over the license term.

Notes Receivable from Employees

Notes receivable from employees principally include unsecured general recourse forgivable loans and retention payments, which are provided to attract and retain certain of our senior employees and other professionals. Generally, all of the principal amount and accrued interest income of the forgivable loans we make to employees and other professionals will be forgiven according to the stated terms of the loan agreement, provided that the professional is providing services to the Company on the forgiveness date and upon other specified events, such as death or disability. For the year ended December 31, 2023, we have recorded accrued interest income as a reduction to operating expense on our Consolidated Statement of Comprehensive Income.

Professionals who terminate their employment or services with us prior to the end of the forgiveness period are required to repay the outstanding, unforgiven loan balance and any accrued but unforgiven interest. The unforgiven interest is recorded to interest income and other on our Consolidated Statements of Comprehensive Income at the time of termination.

If the termination was by the Company without "cause" or by the employee with "good reason," or, subject to certain conditions, if the employee terminates his or her employment due to retirement or non-renewal of his or her employment agreement, the loan may be forgiven or continue to be forgivable, in whole or in part. We amortize forgivable loans straight-line over the requisite service period, which ranges from a period of one year to 10 years. The amount of expense recognized at any date must at least equal the portion of the principal forgiven on the forgiveness date.

Goodwill and Intangible Assets

Goodwill represents the purchase price of acquired businesses in excess of the fair market value of net assets acquired at the date of acquisition. Intangible assets may include customer relationships, trademarks and acquired software.

We test our goodwill and indefinite-lived intangible assets for impairment annually as of the first day of the fourth quarter and whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. On a quarterly basis, we monitor the key drivers of fair value to detect events or other changes that would warrant an interim impairment test. Important factors we consider that could trigger an interim impairment review include, but are not limited to, the following:

- significant underperformance relative to expected historical or projected future operating results;
- a significant change in the manner of our use of the acquired asset or the strategy for our overall business;
- a significant market decline related to negative industry or economic trends; and/or
- our market capitalization relative to net carrying value.

We assess our goodwill for impairment at the reporting unit level. A reporting unit is an operating segment or a business one level below that operating segment if discrete financial information is available and regularly reviewed by the chief operating decision makers.

Our annual goodwill impairment test may be conducted using a qualitative assessment or a quantitative assessment. Under GAAP, we have an option to bypass the qualitative assessment and perform a quantitative impairment test. We determine whether to perform a qualitative assessment first or to bypass the qualitative assessment and proceed with the quantitative goodwill impairment test for each of our reporting units based on the excess of fair value over carrying value from the most recent quantitative tests and other events or changes in circumstances that could impact the fair value of the reporting units.

In the qualitative assessment, we consider various factors, events or circumstances, including macroeconomic conditions, industry and market considerations, cost factors, overall financial performance and other relevant reporting unit specific events. If, based on the qualitative assessment, we determine that it is not "more likely than not" that the fair value of a reporting unit is less than its carrying value, we do not prepare a quantitative impairment test. If we determine otherwise, we will prepare a quantitative assessment for potential goodwill impairment.

In the quantitative assessment, we compare the estimated fair value of the reporting unit with the carrying amount of that reporting unit. We estimate fair value using a combination of an income approach (based on discounted cash flows) and market approaches, using appropriate weighting factors. If the fair value exceeds the carrying amount, goodwill is not impaired. However, if the carrying value exceeds the fair value of the reporting unit, an impairment loss shall be recognized in an amount equal to that excess, limited to the total amount of goodwill allocated to that reporting unit.

Intangible assets with finite lives are amortized over their estimated useful life and reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. We amortize our acquired finite-lived intangible assets on a straight-line basis over periods ranging from two to 15 years.

Impairment of Long-Lived Assets

We review long-lived assets such as property and equipment, operating lease assets and finite-lived intangible assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. These events or changes in circumstances may include a significant deterioration of operating results, changes in business plans or changes in anticipated future cash flows. If an impairment indicator is present, we evaluate recoverability of assets to be held and used by a comparison of the carrying value of the assets with future undiscounted net cash flows expected to be generated by the assets. We group assets at the lowest level for which there are identifiable cash flows that are largely independent of the cash flows generated by other asset groups. If the total of the expected undiscounted future cash flows is less than the carrying amount of the asset group, we estimate the fair value of the asset group to determine whether an impairment loss should be recognized.

Leases

We determine if a contract is a leasing arrangement at inception. Operating lease assets represent our right to control the use of an identified asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. Operating lease assets and liabilities are recognized on the Consolidated Balance Sheets at the commencement date based on the present value of lease payments over the lease term. We use the incremental borrowing rate on the commencement date in determining the present value of our lease payments. We recognize operating lease expense for our operating leases on a straight-line basis over the lease term.

We lease office space and equipment under non-cancelable operating leases, which may include renewal or termination options that are reasonably certain of exercise. 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.

Leases with an initial term of 12 months or less are not recorded on the balance sheet and are expensed on a straight-line basis. Lease and non-lease components are accounted for together as a single lease component for operating leases associated with our office space.

Billings in Excess of Services Provided

Billings in excess of services provided represent amounts billed to clients, such as retainers, in advance of work being performed. Clients may make advance payments, which are held on deposit until completion of work or are applied at predetermined amounts or times. Excess payments are either applied to final billings or refunded to clients upon completion of work. Payments in excess of related accounts receivable and unbilled receivables are recorded as billings in excess of services provided within the liabilities section of the Consolidated Balance Sheets.

Convertible Notes

The carrying amount of our 2.0% convertible senior notes due 2023 (“2023 Convertible Notes”) is recognized as a liability as of December 31, 2022 on the Consolidated Balance Sheets. We recorded debt issuance costs as an adjustment to the carrying amount of our 2023 Convertible Notes liability and amortized the costs using the effective interest rate method over the expected life of the instrument. The principal amount of the 2023 Convertible Notes of $315.8 million was settled in cash at maturity on August 15, 2023 utilizing existing cash resources, including our senior secured bank revolving credit facility (“Credit Facility”).

2. New Accounting Standards

Accounting Standards Not Yet Adopted

In November 2023, the FASB issued ASU 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*, which expands public entities’ segment disclosures by requiring disclosure of significant segment expenses that are regularly provided to the chief operating decision maker and included within each reported measure of segment profit or loss, an amount and description of its composition for other segment items, and interim disclosures of a reportable segment’s profit or loss and assets. The ASU is effective for annual periods beginning after December 15, 2023 and interim periods beginning after December 15, 2024, and requires retrospective application to all prior periods presented in the financial statements. Early adoption is permitted. The Company is in the process of evaluating the impact of this new guidance on its consolidated financial statements.

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740)*: *Improvements to Income Tax Disclosures*, which expands annual disclosures in an entity’s income tax rate reconciliation table and requires annual disclosures regarding cash taxes paid both in the U.S. (federal and state) and foreign jurisdictions. The amendments in this ASU are effective for annual periods beginning after December 15, 2024, although early adoption is permitted. 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 years ended December 31, 2023 and 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, *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* (“ASU 2020-06”). For the year ended December 31, 2021, 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 years ended December 31, 2023, 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. On August 17, 2023, we issued a total of 1,460,740 shares of our common stock to holders in connection with the conversion of their 2023 Convertible Notes at maturity. As of December 31, 2023, there were no 2023 Convertible Notes outstanding. See Note 14, “Debt” for additional information about the 2023 Convertible Notes.

	Year Ended December 31,		
	2023	2022	2021
Numerator — basic and diluted			
Net income	$ 274,892	$ 235,514	$ 234
Denominator			
Weighted average number of common shares outstanding — basic	33,924	33,693	33
Effect of dilutive share-based awards	559	599	
Effect of dilutive stock options	295	325	
Effect of dilutive convertible notes	868	1,166	
Weighted average number of common shares outstanding — diluted	35,646	35,783	35
Earnings per common share — basic	$ 8.10	$ 6.99	$
Earnings per common share — diluted	$ 7.71	$ 6.58	$
Antidilutive stock options and share-based awards	5	9	

4. Revenues

We generate the majority of our revenues by providing consulting services to our clients. See Note 1, “Description of Business and Summary of Significant Accounting Policies” for additional information on our accounting policies for revenues.

Revenues are recognized when we satisfy a performance obligation by transferring services promised in a contract to a customer and in an amount that reflects the consideration that we expect to receive in exchange for those services. Performance obligations in our contracts represent distinct or separate services that we provide to our customers. We estimate that approximately 77% of our revenues recognized during the year ended December 31, 2023 were generated from time and expense contract arrangements. If, at the outset of an arrangement, we determine that a contract with enforceable rights and obligations does not exist, revenues are deferred until all criteria for an enforceable contract are met.

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 $11.7 million, $24.4 million and $26.3 million for the years ended December 31, 2023, 2022 and 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 December 31, 2023 and 2022, the aggregate amount of the remaining contract transaction price allocated to unfulfilled performance obligations was $34.6 million and $3.6 million, respectively. We expect to recognize the majority of the related revenues over the next 36 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 immaterial as of December 31, 2023 and 2022, respectively.

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 December 31, 2023 and 2022, respectively.

5. Accounts Receivable and Allowance for Expected Credit Losses

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

	December 31, 2023	December 31, 2022
Accounts receivable:		
Billed receivables	$ 745,371	$ 633,055
Unbilled receivables	421,488	308,873
Allowance for expected credit losses	(64,717)	(45,775)
Accounts receivable, net	$ 1,102,142	$ 896,153

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

	Year Ended December 31, 2023	2022	2021
Provision for expected credit losses	$ 35,149	$ 19,684	$ 16,151
Write-offs	$ 24,441	$ 13,085	$ 23,641

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. See Note 1, "Description of Business and Summary of Significant Accounting Policies" for additional information on our accounting policies for the allowance for expected credit losses.

6. Special Charges

There were no special charges recorded during the years ended December 31, 2023 and 2021.

During the year ended December 31, 2022, we recorded a special charge of $8.3 million, which consisted of employee severance and other employee-related costs associated with programmatic headcount reductions primarily in our FLC and Corporate Finance segments to realign our workforce with business demand.

The following table details the special charges by segment:

	Year Ended December 31, 2022
Corporate Finance	$ 2,444
FLC	4,614
Economic Consulting	31
Technology	106
Strategic Communications	369
Segment special charge	7,564
Unallocated Corporate	776
Total special charges	$ 8,340

7. Share-Based Compensation

Share-Based Incentive Compensation Plans

Under the FTI Consulting, Inc. 2017 Omnibus Incentive Compensation Plan, effective as of June 7, 2017, and as amended as of June 3, 2020, there were 875,277 shares of common stock available for grant as of December 31, 2023.

Share-Based Compensation Expense

The table below reflects the total share-based compensation expense recognized in our Consolidated Statements of Comprehensive Income for the years ended December 31, 2023, 2022 and 2021:

	Year Ended December 31,		
Income Statement Classification	2023	2022	2021
Direct cost of revenues	$ 19,067	$ 15,312	$ 13,432
Selling, general and administrative expenses	17,205	12,416	14,148
Total	$ 36,272	$ 27,728	$ 27,580

Stock Options

We did not grant any stock options during the years ended December 31, 2023, 2022 and 2021. Historically, we used the Black-Scholes option-pricing model to determine the fair value of our stock option grants.

A summary of our stock option activity during the year ended December 31, 2023 is presented below. The aggregate intrinsic value of stock options outstanding and exercisable, or fully vested, at December 31, 2023 in the table below represents the total pre-tax intrinsic value, which is calculated as the difference between the closing price of our common stock on the last trading day of 2023 and the exercise price, multiplied by the number of in-the-money options that would have been received by the option holders had all option holders exercised their options on December 31, 2023. The aggregate intrinsic value changes based on fluctuations in the fair market value per share of our common stock.

	Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (in Years)	Aggregate Intrinsic Value
Stock options outstanding at December 31, 2022	392	$ 36.89		
Stock options exercised	(38)	$ 33.91		
Stock options outstanding and exercisable at December 31, 2023	354	$ 37.21	2.0	$ 57,313

Cash received from option exercises for the years ended December 31, 2023, 2022 and 2021 was $1.3 million, $2.3 million and $2.7 million, respectively. The tax benefit realized from stock options exercised was immaterial for each of the years ended December 31, 2023, 2022 and 2021.

The intrinsic value of stock options exercised is the amount by which the market value of our common stock on the exercise date exceeds the exercise price. The total intrinsic value of stock options exercised for the years ended December 31, 2023, 2022 and 2021 was $6.0 million, $8.8 million and $8.3 million, respectively.

As of December 31, 2023, there was no unrecognized compensation cost related to stock options.

Restricted Share Awards

A summary of our restricted share awards activity during the year ended December 31, 2023 is presented below:

	Shares		Weighted Average Grant Date Fair Value
Restricted share awards outstanding at December 31, 2022	684	$	106.63
Restricted share awards granted	100	$	189.86
Restricted share awards vested	(155)	$	93.43
Restricted share awards forfeited	(9)	$	142.50
Restricted share awards outstanding at December 31, 2023	620	$	122.88

As of December 31, 2023, there was $48.2 million of unrecognized compensation cost related to unvested restricted share awards. That cost is expected to be recognized ratably over a weighted average period of 3.5 years. The total fair value of restricted share awards that vested during the years ended December 31, 2023, 2022 and 2021 was $29.0 million, $42.1 million and $25.3 million, respectively.

Restricted Stock Units

A summary of our restricted stock units activity during the year ended December 31, 2023 is presented below:

	Shares		Weighted Average Grant Date Fair Value
Restricted stock units outstanding at December 31, 2022	328	$	77.66
Restricted stock units granted	105	$	178.13
Restricted stock units released	(37)	$	116.72
Restricted stock units forfeited	(5)	$	137.12
Restricted stock units outstanding at December 31, 2023	391	$	100.28

As of December 31, 2023, there was $19.8 million of unrecognized compensation cost related to unvested restricted stock units. That cost is expected to be recognized ratably over a weighted average period of 4.6 years. The total fair value of restricted stock units released for the years ended December 31, 2023, 2022 and 2021 was $6.6 million, $7.2 million and $4.1 million, respectively.

Performance Stock Units

Performance stock units represent common stock potentially issuable in the future, subject to achievement of either market or performance conditions. Our current outstanding performance stock units that are subject to market conditions vest based on the adjusted total shareholder return of the Company as compared with the adjusted total shareholder return of the Standard & Poor's 500 Index over the applicable performance period. Our current outstanding performance stock units that are subject to performance conditions vest based on Adjusted EBITDA metrics over the applicable performance period. The vesting and payout range for all of our performance stock units is typically between 0% and up to 150% of the target number of shares granted at the end of a two- or three-year performance period.

A summary of our performance stock units activity during the year ended December 31, 2023 is presented below:

	Shares	Weighted Average Grai Date Fair Val
Performance stock units outstanding at December 31, 2022	245	$ 14
Performance stock units granted [1]	80	$ 19
Performance stock units released	(71)	$ 13
Performance stock units forfeited [2]	(47)	$ 14
Performance stock units outstanding at December 31, 2023	207	$ 16

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[1] Performance stock units granted are presented at the maximum potential payout percentage of 150% of target shares granted.

[2] Performance stock units are forfeited when the market or performance conditions for maximum payout are not achieved, including performance stock units that do not achieve any payout, or the employee is terminated prior to vesting.

As of December 31, 2023, there was $8.4 million of unrecognized compensation cost related to unvested performance stock units. That cost is expected to be recognized ratably over a weighted average period of 0.8 years. The total fair value of performance stock units released during the years ended December 31, 2023, 2022 and 2021 was $11.7 million, $14.2 million and $17.2 million, respectively.

The weighted average grant date fair value per share of restricted share awards, restricted stock units and performance stock units awarded during the years ended December 31, 2023, 2022 and 2021 was $187.85, $157.65 and $132.40, respectively. The fair value of our restricted share awards, restricted stock units and performance stock units that are subject to performance conditions is determined based on the closing market price per share of our common stock on the grant date. The fair value of our performance stock units subject to market conditions is calculated using a Monte Carlo pricing model as of the grant date.

8. Interest Income and Other

The table below presents the components of “Interest income and other” as shown on the Consolidated Statements of Comprehensive Income:

	Year Ended December 31,		
	2023	2022	2021
Interest income and other			
Interest income	$ 5,210	$ 4,619	$ 3,493
Foreign exchange transaction gains (losses), net	(9,341)	57	2,426
Other	(736)	(758)	274
Total	$ (4,867)	$ 3,918	$ 6,193

9. Balance Sheet Details

The table below presents the components of "Prepaid expenses and other current assets" and "Accounts payable, accrued expenses and other" as shown on the Consolidated Balance Sheets:

	December 31, 2023	December 31, 2022
Prepaid expenses and other current assets		
Prepaid expenses	$ 51,141	$ 46,895
Short-term investment	25,461	—
Income tax receivable	15,062	10,965
Other current assets	27,428	37,609
Total	$ 119,092	$ 95,469
Accounts payable, accrued expenses and other		
Accounts payable	$ 21,719	$ 20,265
Accrued expenses	74,712	65,231
Accrued interest payable	13	2,096
Accrued taxes payable	58,734	20,364
Current operating lease liabilities	33,864	31,922
Other current liabilities	34,716	34,075
Total	$ 223,758	$ 173,953

10. Property and Equipment

Property and equipment consist of the following:

	December 31, 2023	December 31, 2022
Leasehold improvements	$ 149,132	$ 129,036
Construction in progress	5,727	43,931
Furniture and equipment	38,827	32,975
Computer equipment and software	142,665	114,342
	336,351	320,284
Accumulated depreciation	(176,689)	(166,818)
Property and equipment, net	$ 159,662	$ 153,466

Depreciation expense for property and equipment totaled $41.1 million, $35.9 million and $34.3 million during the years ended December 31, 2023, 2022 and 2021, respectively.

We capitalized certain eligible implementation costs for our enterprise resource planning ("ERP") system during the application development stage to construction in progress. Implementation costs were reclassified to computer equipment and software when the ERP was placed into service during April 2023.

11. Goodwill and Intangible Assets

Goodwill

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

	Corporate Finance [1]	FLC [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]	11,332	—	—	—	—	11,332
Foreign currency translation adjustment	4,122	(3,057)	(803)	(84)	(16,708)	(16,530)
Balance at December 31, 2022	$ 516,500	$ 234,872	$ 268,055	$ 96,727	$ 111,439	$ 1,227,593
Foreign currency translation adjustment	1,405	1,629	427	75	3,440	6,976
Intersegment transfers in/(out) [4]	23,086	(23,086)	—	—	—	—
Balance at December 31, 2023	$ 540,991	$ 213,415	$ 268,482	$ 96,802	$ 114,879	$ 1,234,569

(1) There were no accumulated impairment losses for the Corporate Finance, FLC, Economic Consulting or Technology segments as of December 31, 2023, 2022 and 2021.

(2) Amounts for our Strategic Communications segment include gross carrying values of $309.0 million, $305.6 million and $322.3 million as of December 31, 2023, 2022, and 2021, respectively, and accumulated impairment losses of $194.1 million as of December 31, 2023, 2022 and 2021.

(3) During the year ended December 31, 2022, we acquired certain assets of businesses that were assigned to the Corporate Finance segment. We recorded $11.3 million in goodwill as a result of the acquisition in 2022. We have included the results of the acquired business operations in the Corporate Finance segment since the acquisition date.

(4) Includes the allocation of goodwill relating to the reclassification of the portion of the Company's health solutions practice previously within our FLC segment, which focuses on business transformation services in the healthcare and life sciences sector, to our realigned business transformation practice within our Corporate Finance segment. See Note 20, "Segment Reporting," for information on this segment reclassification.

Intangible Assets

Intangible assets were as follows:

		December 31, 2023			December 31, 2022		
	Weighted Average Useful Life in Years	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Amortizing intangible assets							
Customer relationships	9.7	$ 27,000	$ 16,640	$ 10,360	$ 78,223	$ 63,810	$ 14,413
Trademarks	6.0	9,712	7,129	2,583	10,950	5,554	5,396
Acquired software and other	1.9	888	646	242	846	241	605
	8.6	37,600	24,415	13,185	90,019	69,605	20,414
Non-amortizing intangible assets							
Trademarks	Indefinite	5,100	—	5,100	5,100	—	5,100
Total		$ 42,700	$ 24,415	$ 18,285	$ 95,119	$ 69,605	$ 25,514

Intangible assets with finite lives are amortized over their estimated useful life. We recorded amortization expense of $6.2 million, $9.6 million and $10.8 million during the years ended December 31, 2023, 2022 and 2021, respectively. No impairment charges for intangible assets were recorded during the years ended December 31, 2023, 2022 and 2021.

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

Year	As of December 31, 2023 [1]
2024	$ 3,646
2025	2,907
2026	1,740
2027	1,670
2028	1,265
Thereafter	1,957
	$ 13,185

(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.

12. Notes Receivable from Employees

The table below summarizes the changes in the carrying amount of our notes receivable from employees:

	December 31, 2023	December 31, 2022
Notes receivable from employees — beginning	$ 83,270	$ 83,795
Notes granted	58,649	35,575
Repayments	(6,054)	(4,200)
Amortization	(27,784)	(30,807)
Cumulative translation adjustment and other	(1,653)	(1,093)
Notes receivable from employees — ending	106,428	83,270
Less: current portion	(30,997)	(27,292)
Notes receivable from employees, net of current portion	$ 75,431	$ 55,978

As of December 31, 2023 and 2022, there were 413 and 365 notes outstanding, respectively. Total amortization expense for the years ended December 31, 2023, 2022 and 2021 was $27.8 million, $30.8 million and $34.4 million, respectively.

13. Financial Instruments

The following tables present the carrying amounts and estimated fair values of our financial instruments by hierarchy level as of December 31, 2023 and 2022:

	December 31, 2023			
		Hierarchy Level (Fair Value)		
	Carrying Amount	Level 1	Level 2	Level 3
Liabilities				
Acquisition-related contingent consideration [1]	$ 12,801	$ —	$ —	$ 12,801
Total	$ 12,801	$ —	$ —	$ 12,801

	December 31, 2022			
		Hierarchy Level (Fair Value)		
	Carrying Amount	Level 1	Level 2	Level 3
Liabilities				
Acquisition-related contingent consideration [1]	$ 14,988	$ —	$ —	$ 14,988
2023 Convertible Notes [2]	315,172	—	509,682	—
Total	$ 330,160	$ —	$ 509,682	$ 14,988

(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 Consolidated Balance Sheets.

(2) The carrying amount includes unamortized deferred debt issuance costs.

The fair values of financial instruments not included in the tables above are estimated to be equal to their carrying values as of December 31, 2023 and December 31, 2022.

We estimated the fair value of our 2023 Convertible Notes based on their last actively traded prices. The fair value of our 2023 Convertible Notes was classified within Level 2 of the fair value hierarchy as of December 31, 2022 because they were traded in less active markets. As of December 31, 2023, no 2023 Convertible Notes remain outstanding.

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. We have multiple valuation models that use different inputs and assumptions based on the timing of the acquisitions. As a result, the significant unobservable inputs used in these models vary. The acquisition-related contingent consideration liabilities subject to the Monte Carlo pricing model were valued using significant unobservable inputs, including volatility rates between 30.0% and 32.5% and discount rates between 14.0% and 16.5%, which reflect the weighted average of our cost of debt and adjusted cost of equity of the acquired companies, and future cash flows. The acquisition-related contingent consideration subject to the probability-weighted discounted cash flow model was valued using significant unobservable inputs, including a discount rate of 15.0% and future cash flows. 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, 2020	$ 20,118
Additions	$ 1,093
Accretion expense [(1)]	2,771
Remeasurement gain [(2)]	(3,095)
Payments	(5,122)
Foreign currency translation adjustment [(3)]	(655)
Balance at December 31, 2021	$ 15,110
Additions	$ 5,370
Accretion expense [(1)]	2,396
Payments	(7,671)
Foreign currency translation adjustment and other [(3)]	(217)
Balance at December 31, 2022	$ 14,988
Accretion expense [(1)]	$ 3,818
Payments	$ (6,353)
Foreign currency translation adjustment [(3)]	$ 348
Balance at December 31, 2023	$ 12,801

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

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

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

14. Debt

The table below summarizes the components of the Company’s debt:

	December 31,	
	2023	2022
2023 Convertible Notes	$ —	$ 316,219
Credit Facility	—	—
Total debt	—	316,219
Less: deferred debt issuance costs	—	(1,047)
Long-term debt, net [(1)]	$ —	$ 315,172

(1) There were no current portions of long-term debt as of December 31, 2023 and 2022.

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 were convertible through the close of business on August 14, 2023 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). Certain holders of the 2023 Convertible Notes elected to convert their 2023 Convertible Notes before they became unconditionally convertible on May 15, 2023, which resulted in the settlement of approximately $0.5 million aggregate principal amount of the 2023 Convertible Notes. The principal amount of the 2023 Convertible Notes of $315.8 million was settled in cash at maturity on August 15, 2023 utilizing existing cash resources, including our Credit Facility. We also issued 1,460,740 shares of FTI Consulting common stock to holders in connection with the conversion of their 2023 Convertible Notes at maturity, which represents the excess of the conversion value over the principal amount of $280.3 million. The consideration related to the conversion premium issued to the holders who elected to convert their 2023 Convertible Notes before they became unconditionally convertible on May 15, 2023 was immaterial. As of December 31, 2023, no 2023 Convertible Notes remain outstanding.

Interest on the 2023 Convertible Notes was at a fixed rate of 2.0% per year, payable semiannually in arrears on February 15 and August 15 of each year. Contractual interest expense for the 2023 Convertible Notes was $4.0 million for the year ended December 31, 2023 and $6.3 million for the years ended December 31, 2022 and 2021. Amortization of the debt discount on the 2023 Convertible Notes prior to the adoption of ASU 2020-06 was $9.6 million for the year ended December 31, 2021.

Credit Facility

In November 2022, we amended and restated our credit agreement for our Credit Facility, to, among other things, (i) extend the maturity to November 21, 2027, (ii) increase the revolving line of credit limit from $550.0 million to $900.0 million, and (iii) increase the incremental facility from $150.0 million to a maximum of $300.0 million, subject to certain conditions, and incurred an additional $4.0 million of debt issuance costs. The Credit Facility is guaranteed by substantially all of our wholly owned domestic subsidiaries and is secured by a first priority security interest in substantially all of the assets of FTI Consulting and such domestic subsidiaries.

Borrowings under the Credit Facility bear interest at a rate equal to, in the case of: (i) USD, at our option, Adjusted Term Secured Overnight Financing Rate ("SOFR") or Adjusted Daily Simple SOFR, (ii) euro, Euro Interbank Offered Rate, (iii) British pound, Sterling Overnight Index Average Reference Rate, (iv) Australian dollars, Bank Bill Swap Reference Bid Rate, (v) Canadian dollars, Canadian Dollar Offered Rate, (vi) Swiss franc, Swiss Average Rate Overnight, and (vii) Japanese yen, Tokyo Interbank Offered Rate, in each case, plus an applicable margin that will fluctuate between 1.25% per annum and 2.00% per annum based upon the Company's Consolidated Total Net Leverage Ratio (as defined in the Credit Facility) at such time or, in the case of USD borrowings, an alternative base rate plus an applicable margin that will fluctuate between 0.25% per annum and 1.00% per annum based upon the Company's Consolidated Total Net Leverage Ratio at such time. The alternative base rate is a fluctuating rate per annum equal to the highest of (1) the federal funds rate plus the sum of 50 basis points, (2) the rate of interest in effect for such day as the prime rate announced by Bank of America, and (3) the one-month Term SOFR plus 100 basis points.

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.

As of December 31, 2023, $0.1 million of the borrowing limit under the Credit Facility was utilized (and, therefore, unavailable) for letters of credit.

There were $3.4 million and $4.3 million of unamortized debt issuance costs related to the Credit Facility as of December 31, 2023 and 2022, respectively. These amounts are included in "Other assets" on our Consolidated Balance Sheets.

15. Leases

We lease office space and equipment under non-cancelable operating leases. See Note 1, "Description of Business and Summary of Significant Accounting Policies" for additional information on our accounting policies for leases. The table below summarizes the carrying amount of our operating lease assets and liabilities:

		December 31,	
Leases	Classification	2023	2022
Assets			
Operating lease assets	Operating lease assets	$ 208,910	$ 203,764
Total lease assets		$ 208,910	$ 203,764
Liabilities			
Current			
Operating lease liabilities	Accounts payable, accrued expenses and other	$ 33,864	$ 31,922
Noncurrent			
Operating lease liabilities	Noncurrent operating lease liabilities	223,774	221,604
Total lease liabilities		$ 257,638	$ 253,526

The table below summarizes total lease costs:

Lease Cost	Year Ended December 31, 2023	2022
Operating lease costs	$ 53,136	$ 48,550
Short-term lease costs	2,694	2,180
Variable leases and other	12,400	12,125
Total lease cost, net	$ 68,230	$ 62,855

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 Consolidated Balance Sheets:

	As of December 31, 2023
2024	$ 52,359
2025	47,610
2026	42,822
2027	41,711
2028	32,635
Thereafter	108,852
Total future lease payments	325,989
Less: imputed interest	(68,351)
Total	$ 257,638

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:

	Year Ended December 31, 2023	2022
Cash paid for amounts included in the measurement of operating lease liabilities	$ 55,751	$ 51,917
Operating lease assets obtained in exchange for lease liabilities	$ 40,346	$ 27,876
Weighted average remaining lease term (years)		
Operating leases	7.9	8.3
Weighted average discount rate		
Operating leases	5.8 %	5.6 %

16. Commitments and Contingencies

We lease office space and equipment under non-cancelable operating leases. See Note 15, “Leases” for future minimum lease commitments.

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.

17. Income Taxes

The table below summarizes significant components of deferred tax assets and liabilities:

	December 31, 2023	December 31, 2022
Deferred tax assets		
Allowance for expected credit losses	$ 7,597	$ 2,923
Accrued vacation and bonus	47,115	37,776
Share-based compensation	13,857	14,599
Notes receivable from employees	10,770	11,927
State net operating loss carryforward	172	537
Foreign net operating and capital loss carryforward	13,487	11,852
Foreign tax credit carryforward	14,384	4,199
Deferred compensation	3,550	3,049
Operating lease assets	64,649	64,465
Employee benefits obligations	568	519
Other, net	2,691	763
Total deferred tax assets	178,840	152,609
Deferred tax liabilities		
Revenue recognition	(2,427)	(6,406)
Operating lease liabilities	(52,673)	(51,995)
Property and equipment, net	(13,216)	(12,956)
Goodwill and intangible assets	(207,131)	(204,634)
Total deferred tax liabilities	(275,447)	(275,991)
Foreign withholding tax	(2,178)	(1,921)
Valuation allowance	(6,773)	(6,459)
Net deferred tax liabilities	$ (105,558)	$ (131,762)

As of December 31, 2023 and 2022, the Company recorded certain deferred tax assets related to foreign capital loss and foreign net operating loss carryforwards, which can be carried forward for periods ranging from 9 years to indefinite. Based on forward-looking financial information, the Company believes it is not more likely than not that the attributes will be utilized. Therefore, valuation allowances of $6.8 million and $6.5 million are recorded against the Company's deferred tax assets as of December 31, 2023 and 2022, respectively.

As of December 31, 2022, a U.S. subsidiary of the Company (the "Licensor") entered into an intellectual property license agreement with certain foreign subsidiaries of the Company in consideration of royalty payments that have been partially prepaid (the "License Agreement"). The License Agreement provides sufficient future taxable income in the U.S. to fully utilize the Company's existing foreign tax credits in the U.S., which were previously subject to a valuation allowance.

The table below summarizes the components of income before income tax provision from continuing operations:

	Year Ended December 31, 2023	2022	2021
Domestic	$ 247,381	$ 165,553	$ 136,008
Foreign	110,982	132,196	161,939
Total	$ 358,363	$ 297,749	$ 297,947

The table below summarizes the components of income tax provision from continuing operations:

	Year Ended December 31,		
	2023	2022	2021
Current			
Federal	$ 28,463	$ 24,227	$ 11,050
State	18,878	12,935	8,328
Foreign	38,029	34,917	37,656
	85,370	72,079	57,034
Deferred			
Federal	6,363	(2,717)	10,766
State	(3,514)	(1,173)	3,458
Foreign	(4,748)	(5,954)	(8,277)
	(1,899)	(9,844)	5,947
Income tax provision	$ 83,471	$ 62,235	$ 62,981

Our income tax provision from continuing operations resulted in effective tax rates that varied from the federal statutory income tax rate as summarized below:

	Year Ended December 31,		
	2023	2022	2021
Income tax expense at federal statutory rate	$ 75,256	$ 62,526	$ 62,569
State income taxes, net of federal benefit	12,562	10,486	8,643
Detriment from foreign tax rates	9,418	5,811	4,375
Other expenses not deductible for tax purposes	5,793	3,365	2,819
Adjustment to reserve for uncertain tax positions	(797)	(609)	2,665
Share-based compensation	(5,422)	(9,372)	(6,167)
Release of valuation allowance on foreign tax credits	—	(3,536)	—
Income tax benefit related to the License Agreement, net	—	(2,034)	—
Release of valuation allowance on Australian deferred tax asset	—	—	(5,063)
U.S. foreign tax credits	(9,464)	(4,049)	(4,859)
Valuation allowance on U.S. foreign tax credit carryforwards	—	—	3,536
Deferred tax benefit of United Kingdom tax rate change	—	—	(3,167)
Other adjustments, net	(3,875)	(353)	(2,370)
Income tax provision	$ 83,471	$ 62,235	$ 62,981

The income tax provision for the years ended December 31, 2023 and 2022 was $83.5 million and $62.2 million, respectively. The increase in expense is primarily due to an increase in foreign taxes and a less favorable tax benefit related to share-based compensation as compared to 2022 due to fewer shares vesting, which was partially offset by a foreign tax credit benefit.

A portion of the increase of the 2023 effective tax rate was related to the 2022 $9.6 million tax benefit related to the release of a U.S. foreign tax credit valuation allowance which did not recur in 2023, utilization of current year foreign tax credits and a deferred tax benefit arising from an intellectual property license agreement between a U.S. subsidiary of the Company and certain foreign subsidiaries of the Company.

We file numerous consolidated and separate income tax returns in the U.S. federal jurisdiction and in many city, state and foreign jurisdictions. We are no longer subject to U.S. federal income tax examinations for years prior to 2017. We are also no longer subject to state and local or foreign tax examinations by tax authorities for years prior to 2015.

Our liability for uncertain tax positions was $1.6 million and $3.2 million as of December 31, 2023 and 2022, respectively. As of December 31, 2023, our accrual for the payment of tax-related interest and penalties was not significant.

18. Stockholders' Equity

2016 Stock Repurchase Program

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. On December 1, 2022, our Board of Directors authorized an additional $400.0 million, increasing the Repurchase Program to an aggregate authorization of $1.3 billion. 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 December 31, 2023, we had $460.7 million available under the Repurchase Program to repurchase additional shares.

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

	Year Ended December 31,		
	2023	2022	2021
Shares of common stock repurchased and retired	112	574	422
Average price paid per share	$ 158.70	$ 154.23	$ 109.37
Total cost	$ 17,797	$ 88,595	$ 46,124

As we repurchase our common shares, we reduce stated capital on our 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

Common stock outstanding was approximately 35.5 million shares and 34.0 million shares as of December 31, 2023 and 2022, respectively. Common stock outstanding includes unvested restricted stock awards, which are considered issued and outstanding under the terms of the restricted stock award agreements. The increase in common stock outstanding was primarily due to the issuance of a total of 1,460,740 shares of our common stock to holders in connection with the conversion of their 2023 Convertible Notes at maturity.

19. Employee Benefit Plans

We maintain a qualified defined contribution 401(k) plan, which covers substantially all of our U.S. employees. Under the plan, participants are entitled to make pre-tax and/or Roth post-tax contributions up to the annual maximums established by the Internal Revenue Service. We match a certain percentage of participant contributions pursuant to the terms of the plan, which contributions are limited to a percentage of the participant's eligible compensation. We made contributions related to the plan of $36.6 million, $32.4 million and $29.1 million during the years ended December 31, 2023, 2022 and 2021, respectively.

We also maintain several defined contribution pension plans for our employees in the U.K. and other foreign countries. We contributed to these plans $15.3 million, $12.6 million and $11.6 million during the years ended December 31, 2023, 2022 and 2021, respectively.

20. 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, governments and other financing sources and creditor groups, as well as other parties-in-interest. We deliver a wide range of services centered around four core offerings: Business Transformation, Strategy, Transactions and Turnaround & Restructuring.

Our FLC segment provides law firms, companies, boards of directors, government entities, private equity firms and other interested parties with a multidisciplinary and independent range of services across risk and investigations and disputes, supported by our data & analytics technology-enabled solutions, with a focus on highly regulated industries. Our services are centered around five core offerings: Construction, Projects & Assets and Environmental Solutions, Data & Analytics, Disputes, Healthcare Risk Management & Advisory 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 digital insights and risk management consulting services. Our professionals help organizations better address risk as the growing volume and variety of enterprise and emerging data intersects with legal, regulatory and compliance needs. We deliver a wide range of expert and analytics-powered solutions driven by investigations, litigation, antitrust and competition, M&A, restructuring and compliance and risk through three core offerings: Corporate Legal Department Consulting, 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.

Effective July 1, 2023, we modified the composition of two of our reportable segments to reflect changes in how we operate our business. We transferred 127 billable professionals in our health solutions practice within our FLC segment who focus on business transformation services in the healthcare and life sciences sector to our realigned business transformation practice within our Corporate Finance segment. This change aligns this group of professionals with the broader business transformation capabilities within the Corporate Finance segment. Eighty-three billable professionals who focus on advisory and managed care services within the health solutions practice remained in the FLC segment. Prior period Corporate Finance and FLC segment information included in this Annual Report on Form 10-K (the “Annual Report”) has been reclassified to conform to the current period presentation.

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:

	Year Ended December 31,		
	2023	2022	2021
Revenues			
Corporate Finance [1]	$ 1,346,678	$ 1,147,118	$ 979
FLC [1]	654,105	579,933	544
Economic Consulting	771,374	695,208	697
Technology	387,855	319,983	287
Strategic Communications	329,230	286,666	267
Total revenues	$ 3,489,242	$ 3,028,908	$ 2,776
Adjusted Segment EBITDA			
Corporate Finance [1]	$ 230,837	$ 214,809	$ 158
FLC [1]	88,109	63,573	70
Economic Consulting	115,807	103,090	117
Technology	62,711	46,698	55
Strategic Communications	50,909	50,620	54
Total Adjusted Segment EBITDA	$ 548,373	$ 478,790	$ 455

(1) Effective July 1, 2023, prior period segment information for the Corporate Finance and FLC segments has been recast in this Annual Report to include the reclassification of the portion of the Company's health solutions practice in the FLC segment to our realigned business transformation practice within our Corporate Finance segment.

The table below reconciles net income to Total Adjusted Segment EBITDA. Unallocated corporate expenses primarily include indirect costs related to centrally managed administrative functions that have not been allocated to the segments. These administrative costs include costs related to executive management, legal, corporate office support costs, information technology, accounting, marketing, human resources and company-wide business development and strategy functions.

	Year Ended December 31,		
	2023	2022	2021
Net income	$ 274,892	$ 235,514	$ 234,966
Add back:			
Income tax provision	83,471	62,235	62,981
Interest income and other	4,867	(3,918)	(6,193)
Interest expense	14,331	10,047	20,294
Unallocated corporate expenses	125,420	124,830	104,457
Segment depreciation expense	39,233	32,876	31,072
Amortization of intangible assets	6,159	9,642	10,818
Segment special charges	—	7,564	—
Remeasurement of acquisition-related contingent consideration	—	—	(3,130)
Total Adjusted Segment EBITDA	$ 548,373	$ 478,790	$ 455,265

The table below presents assets by reportable segment, reconciled to consolidated amounts. Segment assets primarily include accounts and notes receivable, fixed assets purchased specifically for the segment, goodwill and intangible assets.

	December 31,	
	2023	2022
Corporate Finance [(1)]	$ 1,057,999	$ 1,035,410
FLC [(1)]	445,289	468,114
Economic Consulting	592,985	540,133
Technology	256,077	211,218
Strategic Communications	232,279	205,464
Total segment assets	2,584,629	2,460,339
Unallocated corporate assets	741,249	781,068
Total assets	$ 3,325,878	$ 3,241,407

(1) Effective July 1, 2023, prior period segment information for the Corporate Finance and FLC segments has been recast in this Annual Report to include the reclassification of the portion of the Company's health solutions practice in the FLC segment to our realigned business transformation practice within our Corporate Finance segment.

The table below details total revenues by country. Revenues have been attributed to locations based on the location of the legal entity generating the revenues.

	Year Ended December 31,		
	2023	2022	2021
U.S.	$ 2,209,276	$ 1,922,337	$ 1,708,673
U.K.	471,134	419,197	461,354
All other foreign countries [(1)]	808,832	687,374	606,195
Total revenues	$ 3,489,242	$ 3,028,908	$ 2,776,222

(1) There are no countries included in these amounts that individually represented more than 10 percent of total revenues for the years ended December 31, 2023, 2022 and 2021.

We do not have a single customer that represents 10% or more of our consolidated revenues.

The table below details information on our long-lived assets, which include property and equipment, net and non-current operating lease assets, by country. Long-lived assets have been attributed to locations based on the location of the legal entity holding the assets.

	December 31,	
	2023	2022
U.S.	$ 224,467	$ 237,090
U.K.	38,045	41,343
All other foreign countries [(1)]	106,060	78,797
Total long-lived assets	$ 368,572	$ 357,230

(1) There are no countries included in these amounts that individually represented more than 10 percent of long-lived assets as of December 31, 2023 and 2022.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. 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 Annual Report on Form 10-K 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.

Management's Report on Internal Control over Financial Reporting

Management's report on internal control over financial reporting is included in Part II, Item 8, "Financial Statements and Supplementary Data."

Changes in Internal Control over Financial Reporting

There have not been any changes in our internal control over financial reporting that occurred during the quarter ended December 31, 2023 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

(b) Trading plans

During the quarter ended December 31, 2023, no director or Section 16 officer of the Company adopted or terminated any Rule 10b5-1 trading arrangements or non-Rule 10b5-1 trading arrangements (in each case, as defined in Item 408(a) of Regulation S-K).

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

PART III

Certain information required in Part III is omitted from this report but is incorporated herein by reference from our definitive proxy statement for the 2024 Annual Meeting of Shareholders to be filed within 120 days after the end of our fiscal year ended December 31, 2023, pursuant to Regulation 14A with the U.S. Securities and Exchange Commission ("SEC").

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information contained in our proxy statement under the captions "Information About the Board of Directors and Committees," "Corporate Governance" and "Information About Our Executive Officers and Compensation" is incorporated herein by reference.

We have adopted the FTI Consulting, Inc. Code of Ethics and Business Conduct ("Code of Ethics"), which applies to our Chairman of the Board, President, Chief Executive Officer, Chief Financial Officer, Chief Accounting Officer and Controller, and our other financial professionals, as well as all our other executive officers, including chief strategy and transformation officer, chief human resources officer, general counsel, and chief risk officer, and our other officers, directors, employees and independent contractors. The Code of Ethics is publicly available on our website at https://www.fticonsulting.com/~/media/Files/us-files/our-firm/guidelines/fti-code-of-conduct.pdf. If we make any substantive amendments to the Code of Ethics or grant any waiver, including any implicit waiver, from a provision of the Code of Ethics to our President, Chief Executive Officer, Chief Financial Officer, Chief Accounting Officer and Controller or persons performing similar functions, other executive officers or directors, we will disclose the nature of such amendment or waiver on our website within four business days following the date of the amendment or waiver, or in a Current Report on Form 8-K filed with the SEC. We will provide a copy of our Code of Ethics without charge upon request to our Corporate Secretary, FTI Consulting, Inc., 16701 Melford Boulevard, Suite 200, Bowie, MD 20715, email address: joanne.catanese@fticonsulting.com.

The Company has adopted a Policy on Inside Information and Insider Trading ("Insider Trading Policy") governing the purchase, sale, and/or other dispositions of the Company's securities by the Company, directors, officers and employees. The Insider Trading Policy is reasonably designed to promote compliance with insider trading laws, rules and regulations, and any applicable listing standards. The Company files its Insider Trading Policy as an exhibit to its Annual Report on Form 10-K filed with the SEC. The Insider Trading Policy is publicly available on our website at https://www.fticonsulting.com/-/media/files/us-files/our-firm/guidelines/policy-statement-on-inside-information-and-insider-trading.pdf.

ITEM 11. EXECUTIVE COMPENSATION

The information contained in our proxy statement under the caption "Information About Our Executive Officers and Compensation" is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information contained in our proxy statement under the caption "Security Ownership of Certain Beneficial Owners and Management" and this Annual Report under the caption Part II, Item 5, "Market for the Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities — Securities Authorized for Issuance under Equity Compensation Plans" is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE

The information contained in our proxy statement under the captions "Information About the Board of Directors and Committees," "Corporate Governance," and "Certain Relationships and Related Party Transactions" is incorporated herein by reference.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Our independent registered public accounting firm is KPMG LLP, McLean VA, PCAOB ID Number: 185.

The information contained in our proxy statement under the caption "Principal Accountant Fees and Services" is incorporated herein by reference.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULE

(a) (1) The following financial statements are included in this Annual Report:
Management’s Report on Internal Control over Financial Reporting
Report of Independent Registered Public Accounting Firm — Internal Control over Financial Reporting
Report of Independent Registered Public Accounting Firm — Consolidated Financial Statements
Consolidated Balance Sheets — December 31, 2023 and 2022
Consolidated Statements of Comprehensive Income — Years Ended December 31, 2023, 2022 and 2021
Consolidated Statements of Stockholders’ Equity — Years Ended December 31, 2023, 2022 and 2021
Consolidated Statements of Cash Flows — Years Ended December 31, 2023, 2022 and 2021
Notes to Consolidated Financial Statements

(2) All schedules are omitted as the information is not required or is otherwise provided.

(3) Exhibit Index

Exhibit Number	Description of Exhibits
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 dated June 1, 2011 to Charter 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 Adopted February 21, 2023. (Filed with the Securities and Exchange Commission on February 21, 2023 as an exhibit to FTI Consulting, Inc.'s Current Report on Form 8-K dated February 21, 2023 and incorporated herein by reference.)
4.1	Indenture, dated as of August 20, 2018, between FTI Consulting, Inc. and U.S. Bank National Association, as Trustee. (Filed with the Securities and Exchange Commission on August 20, 2018 as an exhibit to FTI Consulting, Inc.'s Current Report on Form 8-K dated August 20, 2018 and incorporated herein by reference.)
4.2	Form of 2.0% Convertible Senior Notes due 2023 (included in Exhibit 4.1). (Filed with the Securities and Exchange Commission on August 20, 2018 as an exhibit to FTI Consulting, Inc.'s Current Report on Form 8-K dated August 14, 2018 and incorporated herein by reference.)
4.3	First Supplemental Indenture, dated January 1, 2022, between FTI Consulting, Inc. and U.S. Bank National Association, as trustee. (Filed with the Securities and Exchange Commission on January 3, 2022 as an exhibit to FTI Consulting, Inc.'s Current Report on Form 8-K dated January 1, 2022 and incorporated herein by reference.)
4.4	Description of Securities (Filed with the Securities and Exchange Commission on February 25, 2020 as an exhibit to FTI Consulting, Inc.'s Annual Report on Form 10-K for the Year Ended December 31, 2019 and incorporated herein by reference.)
10.1 *	FTI Consulting, Inc. 2004 Long-Term Incentive Plan, as Amended and Restated as of April 27, 2005. (Filed with the Securities and Exchange Commission on May 24, 2005 as an exhibit to FTI Consulting, Inc.'s Current Report on Form 8-K dated May 18, 2005 and incorporated herein by reference.)
10.2 *	Form of Incentive Stock Option Agreement used with 2004 Long-Term Incentive Plan. (Filed with the Securities and Exchange Commission on November 9, 2004 as an exhibit to FTI Consulting, Inc.'s Quarterly Report on Form 10-Q for the quarter ended September 30, 2004 and incorporated herein by reference.)
10.3 *	Form of Restricted Stock Agreement used with 2004 Long-Term Incentive Plan, as amended. (Filed with the Securities and Exchange Commission on November 9, 2004 as an exhibit to FTI Consulting, Inc.'s Quarterly Report on Form 10-Q for the quarter ended September 30, 2004 and incorporated herein by reference.)
10.4 *	FTI Consulting, Inc. Non-Employee Director Compensation Plan established effective April 27, 2005. (Filed with the Securities and Exchange Commission on May 24, 2005 as an exhibit to FTI Consulting, Inc.'s Current Report on Form 8-K dated May 18, 2005 and incorporated herein by reference.)
10.5 *	Form of FTI Consulting, Inc. Non-Employee Director Compensation Plan Stock Option Agreement. (Filed with the Securities and Exchange Commission on May 24, 2005 as an exhibit to FTI Consulting, Inc.'s Current Report on Form 8-K dated May 18, 2005 and incorporated herein by reference.)
10.6 *	Form of FTI Consulting, Inc. Non-Employee Director Compensation Plan Restricted Stock Agreement. (Filed with the Securities and Exchange Commission on May 24, 2005 as an exhibit to FTI Consulting, Inc.'s Current Report on Form 8-K dated May 18, 2005 and incorporated herein by reference.)
10.7 *	Form of FTI Consulting, Inc. Non-Employee Director Compensation Plan Stock Unit Agreement. (Filed with the Securities and Exchange Commission on May 24, 2005 as an exhibit to FTI Consulting, Inc.'s Current Report on Form 8-K dated May 18, 2005 and incorporated herein by reference.)

Exhibit Number	Description of Exhibits
10.8 *	Form of Nonqualified Stock Option Agreement used with 2004 Long-Term Incentive Plan. (Filed with the Securities and Exchange Commission on January 13, 2006 as an exhibit to FTI Consulting, Inc.'s Registration Statement on Form S-4/A and incorporated herein by reference.)
10.9 *	Amendment to FTI Consulting, Inc. 2004 Long-Term Incentive Plan, as Amended and Restated Effective April 27, 2005. (Filed with the Securities and Exchange Commission on March 31, 2006 as an exhibit to FTI Consulting, Inc.'s Current Report on Form 8-K dated March 29, 2006 and incorporated herein by reference.)
10.10 *	Amendment dated as of June 6, 2006 to the FTI Consulting, Inc. Non-Employee Director Compensation Plan. (Filed with the Securities and Exchange Commission on June 7, 2006 as an exhibit to FTI Consulting, Inc.'s Current Report on Form 8-K dated June 6, 2006 and incorporated herein by reference.)
10.11 *	Amendment dated as of June 6, 2006 to the FTI Consulting, Inc. 2004 Long-Term Incentive Plan, as Amended and Restated Effective as of April 27, 2005, as further amended. (Filed with the Securities and Exchange Commission on June 7, 2006 as an exhibit to FTI Consulting, Inc.'s Current Report on Form 8-K dated June 6, 2006 and incorporated herein by reference.)
10.12 *	FTI Consulting, Inc. 2006 Global Long-Term Incentive Plan. (Filed with the Securities and Exchange Commission on June 6, 2006 as exhibit 4.3 to FTI Consulting, Inc.'s Registration Statement on Form S-8 (333-134789) and incorporated herein by reference.)
10.13 *	Form of FTI Consulting, Inc. 2006 Global Long-Term Incentive Plan Incentive Stock Option Agreement. (Filed with the Securities and Exchange Commission on June 6, 2006 as an exhibit to FTI Consulting, Inc.'s Registration Statement on Form S-8 (333-134789) and incorporated herein by reference.)
10.14 *	Form of FTI Consulting, Inc. 2006 Global Long-Term Incentive Plan Restricted Stock Agreement. (Filed with the Securities and Exchange Commission on June 6, 2006 as an exhibit to FTI Consulting, Inc.'s Registration Statement on Form S-8 (333-134789) and incorporated herein by reference.)
10.15 *	FTI Consulting, Inc. Deferred Compensation Plan for Key Employees and Non-Employee Directors. (Filed with the Securities and Exchange Commission on April 28, 2006 as an exhibit to FTI Consulting, Inc.'s Definitive Proxy Statement on Schedule 14A and incorporated herein by reference.)
10.16 *	Form of FTI Consulting, Inc. Deferred Compensation Plan For Key Employees and Non-Employee Directors Restricted Stock Unit Agreement for Non-Employee Directors. (Filed with the Securities and Exchange Commission on June 6, 2006 as an exhibit to FTI Consulting, Inc.'s Registration Statement on Form S-8 (333-134790) and incorporated herein by reference.)
10.17 *	Form of FTI Consulting, Inc. Deferred Compensation Plan For Key Employees and Non-Employee Directors Stock Unit Agreement for Non-Employee Directors. (Filed with the Securities and Exchange Commission on June 6, 2006 as an exhibit to FTI Consulting, Inc.'s Registration Statement on Form S-8 (333-134790) and incorporated herein by reference.)
10.18 *	FTI Consulting, Inc. 2007 Employee Stock Purchase Plan. (Filed with the Securities and Exchange Commission on April 28, 2006 as an exhibit to FTI Consulting, Inc.'s Definitive Proxy Statement on Schedule 14A and incorporated herein by reference.)
10.19 *	FTI Consulting, Inc. 2006 Global Long-Term Incentive Plan, Amended and Restated Effective October 25, 2006. (Filed with the Securities and Exchange Commission on October 26, 2006 as an exhibit to FTI Consulting, Inc.'s Current Report on Form 8-K dated October 25, 2006 and incorporated herein by reference.)
10.20 *	FTI Consulting, Inc. 2006 Global Long-Term Incentive Plan/Appendix II: Australian Sub-Plan. (Filed with the Securities and Exchange Commission on December 15, 2006 as an exhibit to FTI Consulting, Inc.'s Registration Statement on Form S-4 (File No. 333-139407) and incorporated herein by reference.)
10.21 *	FTI Consulting, Inc. 2006 Global Long-Term Incentive Plan/Appendix III: Ireland Sub-Plan. (Filed with the Securities and Exchange Commission on December 15, 2006 as an exhibit to FTI Consulting, Inc.'s Registration Statement on Form S-4 (File No. 333-139407) and incorporated herein by reference.)

Exhibit Number	Description of Exhibits
10.22 *	FTI Consulting, Inc. 2006 Global Long-Term Incentive Plan/Appendix IV: United Kingdom Sub-Plan. (Filed with the Securities and Exchange Commission on December 15, 2006 as an exhibit to FTI Consulting, Inc.'s Registration Statement on Form S-4 (File No. 333-139407) and incorporated herein by reference.)
10.23 *	FTI Consulting, Inc. Non-Employee Director Compensation Plan Stock Option Agreement under FTI Consulting, Inc. 2006 Global Long-Term Incentive Plan. (Filed with the Securities and Exchange Commission on December 13, 2006 as an exhibit to FTI Consulting, Inc.'s Current Report on Form 8-K dated December 11, 2006 and incorporated herein by reference.)
10.24 *	FTI Consulting, Inc. Non-Employee Director Compensation Plan Restricted Stock Agreement under FTI Consulting, Inc. 2006 Global Long-Term Incentive Plan. (Filed with the Securities and Exchange Commission on December 13, 2006 as an exhibit to FTI Consulting, Inc.'s Current Report on Form 8-K dated December 11, 2006 and incorporated herein by reference.)
10.25 *	FTI Consulting, Inc. Non-Qualified Stock Option Agreement under FTI Consulting, Inc. 2006 Global Long-Term Incentive Plan. (Filed with the Securities and Exchange Commission on May 9, 2007 as an exhibit to FTI Consulting, Inc.'s Quarterly Report on Form 10-Q for the quarter ended March 31, 2007 and incorporated herein by reference.)
10.26 *	FTI Consulting, Inc. Non-Employee Director Compensation Plan Amended and Restated Effective as of February 20, 2008. (Filed with the Securities and Exchange Commission on May 7, 2008 as an exhibit to FTI Consulting, Inc.'s Quarterly Report on Form 10-Q for the quarter ended March 31, 2008 and incorporated herein by reference.)
10.27 *	FTI Consulting, Inc. Deferred Compensation Plan For Key Employees and Non-Employee Directors Restricted Stock Unit Agreement for Non-Employee Directors Under the Non-Employee Director Compensation Plan, as Amended and Restated Effective as of February 20, 2008. (Filed with the Securities and Exchange Commission on May 7, 2008 as an exhibit to FTI Consulting, Inc.'s Quarterly Report on Form 10-Q for the quarter ended March 31, 2008 and incorporated herein by reference.)
10.28 *	FTI Consulting, Inc. 2006 Global Long-Term Incentive Plan Restricted Stock Agreement Under the Non-Employee Director Compensation Plan, as Amended and Restated Effective as of February 20, 2008. (Filed with the Securities and Exchange Commission on May 7, 2008 as an exhibit to FTI Consulting, Inc.'s Quarterly Report on Form 10-Q for the quarter ended March 31, 2008 and incorporated herein by reference.)
10.29 *	Form of Restricted Stock Unit Agreement for Non-Employee Directors under the Non-Employee Director Compensation Plan, as Amended and Restated Effective as of February 20, 2008. (Filed with the Securities and Exchange Commission on August 7, 2008 as an exhibit to FTI Consulting, Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2008 and incorporated herein by reference.)
10.30 *	Form of Stock Unit Agreement for Non-Employee Directors under the Non-Employee Director Compensation Plan, as Amended and Restated Effective as of February 20, 2008. (Filed with the Securities and Exchange Commission on August 7, 2008 as an exhibit to FTI Consulting, Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2008 and incorporated herein by reference.)
10.31 *	Form of FTI Consulting, Inc. 2004 Long-Term Incentive Plan Incentive Stock Option Agreement. (Filed with the Securities and Exchange Commission on August 7, 2008 as an exhibit to FTI Consulting, Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2008 and incorporated herein by reference.)
10.32 *	FTI Consulting, Inc. 2006 Global Long-Term Incentive Plan (Amended and Restated Effective as of May 14, 2008). (Filed with the Securities and Exchange Commission on August 7, 2008 as an exhibit to FTI Consulting, Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2008 and incorporated herein by reference.)

Exhibit Number	Description of Exhibits
10.33 *	Form of FTI Consulting, Inc. 2006 Global Long-Term Incentive Plan Restricted Stock Agreement under the Non-Employee Director Compensation Plan, as Amended and Restated Effective as of February 20, 2008. (Filed with the Securities and Exchange Commission on August 7, 2008 as an exhibit to FTI Consulting, Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2008 and incorporated herein by reference.)
10.34 *	Form of Incentive Stock Option Agreement under the FTI Consulting, Inc. 2006 Global Long-Term Incentive Plan, as Amended and Restated. (Filed with the Securities and Exchange Commission on November 6, 2008 as an exhibit to FTI Consulting, Inc.'s Quarterly Report on Form 10-Q for the quarter ended September 30, 2008 and incorporated herein by reference.)
10.35 *	FTI Consulting, Inc. 2009 Omnibus Incentive Compensation Plan. (Filed with the Securities and Exchange Commission on April 23, 2009 as an exhibit to FTI Consulting, Inc.'s Definitive Proxy Statement and incorporated herein by reference.)
10.36 *	Form of FTI Consulting, Inc. 2009 Omnibus Incentive Compensation Plan Incentive Stock Option Agreement. (Filed with the Securities and Exchange Commission on June 3, 2009 as an exhibit to FTI Consulting, Inc.'s Current Report on Form 8-K dated June 3, 2009 and incorporated herein by reference.)
10.37 *	Form of FTI Consulting, Inc. 2009 Omnibus Incentive Compensation Plan Restricted Stock Agreement. (Filed with the Securities and Exchange Commission on June 3, 2009 as an exhibit to FTI Consulting, Inc.'s Current Report on Form 8-K dated June 3, 2009 and incorporated herein by reference.)
10.38 *	Form of FTI Consulting, Inc. 2009 Omnibus Incentive Compensation Plan Restricted Stock Unit Agreement for Non-Employee Directors. (Filed with the Securities and Exchange Commission on June 3, 2009 as an exhibit to FTI Consulting, Inc.'s Current Report on Form 8-K dated June 3, 2009 and incorporated herein by reference.)
10.39 *	Form of FTI Consulting, Inc. 2009 Omnibus Incentive Compensation Plan Stock Unit Agreement for Non-Employee Directors. (Filed with the Securities and Exchange Commission on June 3, 2009 as an exhibit to FTI Consulting, Inc.'s Current Report on Form 8-K dated June 3, 2009 and incorporated herein by reference.)
10.40 *	Form of FTI Consulting, Inc. 2009 Omnibus Incentive Compensation Plan Restricted Stock Agreement for Non-Employee Directors. (Filed with the Securities and Exchange Commission on June 3, 2009 as an exhibit to FTI Consulting, Inc.'s Current Report on Form 8-K dated June 3, 2009 and incorporated herein by reference.)
10.41 *	Form of FTI Consulting, Inc. 2009 Omnibus Incentive Compensation Plan Nonstatutory Stock Option Agreement. (Filed with the Securities and Exchange Commission on June 3, 2009 as an exhibit to FTI Consulting, Inc.'s Current Report on Form 8-K dated June 3, 2009 and incorporated herein by reference.)
10.42 *	FTI Consulting, Inc. 2009 Omnibus Incentive Compensation Plan Cash-Based Performance Award Agreement. (Filed with the Securities and Exchange Commission on March 29, 2010 as an exhibit to FTI Consulting, Inc.'s Current Report on Form 8-K dated March 25, 2010 and incorporated herein by reference.)
10.43 *	FTI Consulting, Inc. 2009 Omnibus Incentive Compensation Plan as Amended and Restated Effective as of June 2, 2010. (Filed with the Securities and Exchange Commission on April 23, 2010 as Appendix A to FTI Consulting, Inc.'s Definitive Proxy Statement dated April 23, 2010 and incorporated herein by reference.)
10.44 *	FTI Consulting, Inc. Incentive Compensation Plan. (Filed with the Securities and Exchange Commission on April 18, 2011 as an exhibit to FTI Consulting, Inc.'s Definitive Proxy Statement on Schedule 14A and incorporated herein by reference.)
10.45 *	Employment Agreement dated as of December 13, 2013, by and between FTI Consulting, Inc. and Steven Gunby. (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.)
10.46 *	Form of Cash-Based Stock Appreciation Right Award Agreement. (Filed with the Securities and Exchange Commission on March 27, 2014 as an exhibit to FTI Consulting, Inc.'s Current Report on Form 8-K dated March 26, 2014 and incorporated herein by reference.)

Exhibit Number	Description of Exhibits
10.47 *	Form of Cash Unit Award Agreement. (Filed with the Securities and Exchange Commission on March 27, 2014 as an exhibit to FTI Consulting, Inc.'s Current Report on Form 8-K dated March 26, 2014 and incorporated herein by reference.)
10.48 *	Form of Cash-Based Performance Award Agreement. (Filed with the Securities and Exchange Commission on March 27, 2014 as an exhibit to FTI Consulting, Inc.'s Current Report on Form 8-K dated March 26, 2014 and incorporated herein by reference.)
10.49 *	Form of FTI Consulting, Inc. Restricted Stock Agreement for Employment Inducement Awards to Chief Financial Officer and Chief Strategy and Transformation Officer. (Filed with the Securities and Exchange Commission on August 22, 2014 as an exhibit to FTI Consulting, Inc.'s Registration Statement on Form S-8 (File No.: 333-198311) and incorporated herein by reference.)
10.50 *	Form of FTI Consulting, Inc. Non-Statutory Stock Option Agreement for Employment Inducement Award to Chief Financial Officer and Chief Strategy and Transformation Officer. (Filed with the Securities and Exchange Commission on August 22, 2014 as an exhibit to FTI Consulting, Inc.'s Registration Statement on Form S-8 (File No.: 333-198311) and incorporated herein by reference.)
10.51 *	Offer of Employment Letter dated July 15, 2014, by and between FTI Consulting, Inc. and Paul Linton. (Filed with the Securities and Exchange Commission on October 30, 2014 as an exhibit to FTI Consulting, Inc.'s Quarterly Report on Form 10-Q for the quarter ended September 30, 2014 and incorporated herein by reference.)
10.52 *	Offer of Employment Letter dated July 2, 2014, by and between FTI Consulting, Inc. and Holly Paul. (Filed with the Securities and Exchange Commission on October 30, 2014 as an exhibit to FTI Consulting, Inc.'s Quarterly Report on Form 10-Q for the quarter ended September 30, 2014 and incorporated herein by reference.)
10.53 *	Amendment No. 1 to Offer of Employment Letter dated July 27, 2014, by and between FTI Consulting, Inc. and Holly Paul. (Filed with the Securities and Exchange Commission on October 30, 2014 as an exhibit to FTI Consulting, Inc.'s Quarterly Report on Form 10-Q for the quarter ended September 30, 2014 and incorporated herein by reference.)
10.54 *	The FTI Consulting, Inc. 2009 Omnibus Incentive Compensation Plan (Amended and Restated Effective as of June 3, 2015). (Filed as Appendix A to FTI Consulting, Inc.'s Definitive Proxy Statement on Schedule 14A filed with the SEC on April 21, 2015 and incorporated herein by reference.)
10.55 *	Form of Non-Statutory Stock Option Award Agreement under FTI Consulting, Inc. 2009 Omnibus Incentive Compensation Plan (Amended and Restated Effective as of June 3, 2015). (Filed with the Securities and Exchange Commission on February 25, 2016 as an exhibit to FTI Consulting, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2015 and incorporated herein by reference.)
10.56 *	Form of Incentive Stock Option Award Agreement under FTI Consulting, Inc. 2009 Omnibus Incentive Compensation Plan (Amended and Restated Effective as of June 3, 2015). (Filed with the Securities and Exchange Commission on February 25, 2016 as an exhibit to FTI Consulting, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2015 and incorporated herein by reference.)
10.57 *	Form of Restricted Stock Award [or Restricted Stock Unit] Agreement under FTI Consulting, Inc. 2009 Omnibus Incentive Compensation Plan (Amended and Restated Effective as of June 3, 2015). (Filed with the Securities and Exchange Commission on February 25, 2016 as an exhibit to FTI Consulting, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2015 and incorporated herein by reference.)
10.58 *	Employment Letter dated May 14, 2015 between FTI Consulting, Inc. and Curtis Lu. (Filed as an exhibit to FTI Consulting, Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2015 filed with the Securities and Exchange Commission on July 30, 2015 and incorporated by reference herein.)
10.59 *	FTI Consulting, Inc. Non-Employee Director Compensation Plan Amended and Restated as of January 1, 2016. (Filed with the Securities and Exchange Commission on February 25, 2016 as an exhibit to FTI Consulting, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2015 and incorporated herein by reference.)

Exhibit Number	Description of Exhibits
10.60 *	Form of Deferred Restricted Stock Unit Award Agreement for Non-Employee Directors Pursuant to the FTI Consulting, Inc. Non-Employee Director Compensation Plan Amended and Restated as of January 1, 2016. (Filed with the Securities and Exchange Commission on February 25, 2016 as an exhibit to FTI Consulting, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2015 and incorporated herein by reference.)
10.61 *	Form of Restricted Stock Unit Award Agreement for Non-Employee Directors Pursuant to the FTI Consulting, Inc. Non-Employee Director Compensation Plan Amended and Restated as of January 1, 2016. (Filed with the Securities and Exchange Commission on February 25, 2016 as an exhibit to FTI Consulting, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2015 and incorporated herein by reference.)
10.62 *	Form of Restricted Stock [or Restricted Stock Unit] Award Agreement for Non-Employee Directors Pursuant to the FTI Consulting, Inc. Non-Employee Director Compensation Plan Amended and Restated as of January 1, 2016. (Filed with the Securities and Exchange Commission on February 25, 2016 as an exhibit to FTI Consulting, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2015 and incorporated herein by reference.)
10.63 *	FTI Consulting, Inc. Incentive Compensation Plan. (Filed with the Securities and Exchange Commission as Appendix A to FTI Consulting, Inc.'s Definitive Proxy Statement on Schedule 14A dated April 20, 2016 filed with the SEC on April 20, 2016 and incorporated herein by reference.)
10.64 *	Offer of Employment Letter dated as of July 5, 2016, by and between FTI Consulting, Inc. and Ajay Sabherwal. (Filed with the Securities and Exchange Commission as an exhibit to FTI Consulting, Inc.'s Current Report on Form 8-K dated July 14, 2016 filed with the SEC on July 18, 2016 and incorporated herein by reference.)
10.65 *	Amendment No. 1 dated as of December 5, 2016 to Employment Agreement made and entered into as of December 13, 2013, by and between FTI Consulting, Inc. and Steven Gunby. (Filed with the Securities and Exchange Commission as an exhibit to FTI Consulting, Inc.'s Current Report on Form 8-K dated December 5, 2016 filed with the SEC on December 5, 2016 and incorporated herein by reference.)
10.66 *	Amendment No. 2 effective as of March 21, 2017 to Employment Agreement dated as of December 13, 2013, as amended, by and between FTI Consulting, Inc. and Steven Gunby. (Filed with the Securities and Exchange Commission as an exhibit to FTI Consulting, Inc.'s Current Report on Form 8-K dated March 21, 2017, filed with the SEC on March 23, 2017 and incorporated herein by reference.)
10.67 *	Amendment No. 1 effective as of March 21, 2017 to Offer of Employment Letter dated as of July 5, 2016, by and between FTI Consulting, Inc. and Ajay Sabherwal. (Filed with the Securities and Exchange Commission as an exhibit to FTI Consulting, Inc.'s Current Report on Form 8-K dated March 21, 2017, filed with the SEC on March 23, 2017 and incorporated herein by reference.)
10.68 *	Amendment No. 1 effective as of March 21, 2017 to Offer of Employment Letter dated July 15, 2014, by and between FTI Consulting, Inc. and Paul Linton. (Filed with the Securities and Exchange Commission as an exhibit to FTI Consulting, Inc.'s Current Report on Form 8-K dated March 21, 2017, filed with the SEC on March 23, 2017 and incorporated herein by reference.)
10.69 *	Amendment No. 1 effective as of March 21, 2017 to Employment Letter dated May 14, 2015, by and between FTI Consulting, Inc. and Curtis Lu. (Filed with the Securities and Exchange Commission as an exhibit to FTI Consulting, Inc.'s Current Report on Form 8-K dated March 21, 2017, filed with the SEC on March 23, 2017 and incorporated herein by reference.)
10.70 *	Amendment No. 2 effective as of March 21, 2017 to Offer of Employment Letter dated July 15, 2014, by and between FTI Consulting, Inc. and Holly Paul. (Filed with the Securities and Exchange Commission as an exhibit to FTI Consulting, Inc.'s Current Report on Form 8-K dated March 21, 2017, filed with the SEC on March 23, 2017 and incorporated herein by reference.)
10.71 *	FTI Consulting, Inc. 2017 Omnibus Incentive Compensation Plan (Effective as of June 7, 2017). (Included as Appendix A to FTI Consulting, Inc.'s Definitive Proxy Statement on Schedule 14A filed on April 25, 2017 and incorporated herein by reference.)

Exhibit Number	Description of Exhibits
10.72 *	Form of Executive Long-Term Incentive Pay Restricted Stock Award Agreement under the FTI Consulting, Inc. 2017 Omnibus Incentive Compensation Plan. (Filed with the Securities and Exchange Commission as an exhibit to FTI Consulting, Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2017, filed with the SEC on July 27, 2017 and incorporated herein by reference.)
10.73 *	Form of Executive Long-Term Incentive Pay Incentive Stock Option Award Agreement under the FTI Consulting, Inc. 2017 Omnibus Incentive Compensation Plan. (Filed with the Securities and Exchange Commission as an exhibit to FTI Consulting, Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2017, filed with the SEC on July 27, 2017 and incorporated herein by reference.)
10.74 *	Form of Executive Long-Term Incentive Pay Performance-Based Restricted Stock Unit Award Agreement under the FTI Consulting, Inc. 2017 Omnibus Incentive Compensation Plan. (Filed with the Securities and Exchange Commission as an exhibit to FTI Consulting, Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2017, filed with the SEC on July 27, 2017 and incorporated herein by reference.)
10.75 *	Form of General Restricted Stock Award Agreement under the FTI Consulting, Inc. 2017 Omnibus Incentive Compensation Plan. (Filed with the Securities and Exchange Commission as an exhibit to FTI Consulting, Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2017, filed with the SEC on July 27, 2017 and incorporated herein by reference.)
10.76 *	Form of General Restricted Stock Unit Award Agreement under the FTI Consulting, Inc. 2017 Omnibus Incentive Compensation Plan. (Filed with the Securities and Exchange Commission as an exhibit to FTI Consulting, Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2017, filed with the SEC on July 27, 2017 and incorporated herein by reference.)
10.77 *	Form of General Incentive Stock Option Agreement under the FTI Consulting, Inc. 2017 Omnibus Incentive Compensation Plan. (Filed with the Securities and Exchange Commission as an exhibit to FTI Consulting, Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2017, filed with the SEC on July 27, 2017 and incorporated herein by reference.)
10.78 *	Form of General Nonstatutory Stock Option Agreement under the FTI Consulting, Inc. 2017 Omnibus Incentive Compensation Plan. (Filed with the Securities and Exchange Commission as an exhibit to FTI Consulting, Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2017, filed with the SEC on July 27, 2017 and incorporated herein by reference.)
10.79 *	Form of General Performance-Based Restricted Stock Unit Award Agreement under the FTI Consulting, Inc. 2017 Omnibus Incentive Compensation Plan. (Filed with the Securities and Exchange Commission as an exhibit to FTI Consulting, Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2017, filed with the SEC on July 27, 2017 and incorporated herein by reference.)
10.80 *	Form of General Cash Unit Award Agreement under the FTI Consulting, Inc. 2017 Omnibus Incentive Compensation Plan. (Filed with the Securities and Exchange Commission as an exhibit to FTI Consulting, Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2017, filed with the SEC on July 27, 2017 and incorporated herein by reference.)
10.81 *	Form of General Cash-Based Stock Appreciation Right Award Agreement under the FTI Consulting, Inc. 2017 Omnibus Incentive Compensation Plan. (Filed with the Securities and Exchange Commission as an exhibit to FTI Consulting, Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2017, filed with the SEC on July 27, 2017 and incorporated herein by reference.)
10.82 *	Form of General Cash-Based Performance Unit Award Agreement under the FTI Consulting, Inc. 2017 Omnibus Incentive Compensation Plan. (Filed with the Securities and Exchange Commission as an exhibit to FTI Consulting, Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2017, filed with the SEC on July 27, 2017 and incorporated herein by reference.)

Exhibit Number	Description of Exhibits
10.83 *	Form of Restricted Stock Award Agreement for Non-Employee Directors under the FTI Consulting, Inc. 2017 Omnibus Incentive Compensation Plan. (Filed with the Securities and Exchange Commission as an exhibit to FTI Consulting, Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2017, filed with the SEC on July 27, 2017 and incorporated herein by reference.)
10.84 *	Form of Restricted Stock Unit Award Agreement for Non-Employee Directors under the FTI Consulting, Inc. 2017 Omnibus Incentive Compensation Plan. (Filed with the Securities and Exchange Commission as an exhibit to FTI Consulting, Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2017, filed with the SEC on July 27, 2017 and incorporated herein by reference.)
10.85 *	Form of Deferred Stock Unit Award Agreement for Non-Employee Directors under the FTI Consulting, Inc. 2017 Omnibus Incentive Compensation Plan. (Filed with the Securities and Exchange Commission as an exhibit to FTI Consulting, Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2017, filed with the SEC on July 27, 2017 and incorporated herein by reference.)
10.86 *	Form of Deferred Restricted Stock Unit Award Agreement for Non-Employee Directors under the FTI Consulting, Inc. 2017 Omnibus Incentive Compensation Plan. (Filed with the Securities and Exchange Commission as an exhibit to FTI Consulting, Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2017, filed with the SEC on July 27, 2017 and incorporated herein by reference.)
10.87 *	Amendment No. 3 dated March 16, 2018 to that Employment Agreement dated as of December 13, 2013, by and between FTI Consulting, Inc. and Steven H. Gunby. (Filed with the Securities and Exchange Commission as an exhibit to FTI Consulting, Inc.'s Quarterly Report on Form 10-Q for the quarter ended March 31, 2018, filed with the SEC on April 26, 2018 and incorporated herein by reference.)
10.88 *	Amendment No. 4 dated as of February 28, 2019 to Employment Agreement dated as of December 13, 2013, by and between FTI Consulting, Inc. and Steven H. Gunby. (Filed with the Securities and Exchange Commission as an exhibit to FTI Consulting, Inc.'s Current Report on Form 8-K dated February 28, 2020, filed with the SEC on March 4, 2019 and incorporated herein by reference.)
10.89 *	Amendment No. 2 effective as of February 28, 2019 to Offer of Employment Letter dated as of July 5, 2016, by and between FTI Consulting, Inc. and Ajay Sabherwal. (Filed with the Securities and Exchange Commission as an exhibit to FTI Consulting, Inc.'s Current Report on Form 8-K dated February 28, 2020, filed with the SEC on March 4, 2019 and incorporated herein by reference.)
10.90 *	Amendment No. 2 effective as of February 28, 2019 to Offer of Employment Letter dated as of July 15, 2014, by and between FTI Consulting, Inc. and Paul Linton. (Filed with the Securities and Exchange Commission as an exhibit to FTI Consulting, Inc.'s Current Report on Form 8-K dated February 28, 2020, filed with the SEC on March 4, 2019 and incorporated herein by reference.)
10.91 *	Amendment No. 2 effective as of February 28, 2019 to Offer of Employment Letter dated as of May 14, 2015, by and between FTI Consulting, Inc. and Curtis Lu. (Filed with the Securities and Exchange Commission as an exhibit to FTI Consulting, Inc.'s Current Report on Form 8-K dated February 28, 2020, filed with the SEC on March 4, 2019 and incorporated herein by reference.)
10.92 *	Amendment No. 3 effective as of February 28, 2019 to Offer of Employment Letter dated as of July 15, 2014, by and between FTI Consulting, Inc. and Holly Paul. (Filed with the Securities and Exchange Commission as an exhibit to FTI Consulting, Inc.'s Current Report on Form 8-K dated February 28, 2020, filed with the SEC on March 4, 2019 and incorporated herein by reference.)
10.93 *	Offer Letter dated as of March 1, 2019, by and between FTI Consulting, Inc. and Brendan Keating. (Filed with the Securities and Exchange Commission as an exhibit to FTI Consulting, Inc.'s Current Report on Form 8-K dated March 6, 2020, filed with the SEC on March 7, 2019 and incorporated herein by reference.)

Exhibit Number	Description of Exhibits
10.94 *	Amendment No. 5 made and entered into as of January 8, 2020 to Employment Agreement dated December 13, 2013, by and between FTI Consulting, Inc. and Steven H. Gunby. (Filed with the Securities and Exchange Commission as an exhibit to FTI Consulting, Inc.'s Current Report on Form 8-K dated January 9, 2020, filed with the SEC on January 13, 2020 and incorporated herein by reference.)
10.95 *	Amendment No. 1 to the FTI Consulting, Inc. 2017 Omnibus Incentive Compensation Plan, Effective as of June 3, 2020. (Filed as Appendix B to FTI Consulting, Inc.'s Definitive Proxy Statement on Schedule 14A filed with the Securities and Exchange Commission on April 16, 2020 and incorporated herein by reference.)
10.96 ±	Amended and Restated Lease dated as of October 26, 2020 by and between 1166 LLC and FTI Consulting, Inc. (Filed with the Securities and Exchange Commission as an exhibit to FTI Consulting, Inc.'s Quarterly Report on Form 10-Q for the quarter ended September 30, 2020, filed with the SEC on October 29, 2020 and incorporated herein by reference.)
10.97 **	Second Amendment and Restatement Agreement, dated as of November 21, 2022, among FTI Consulting, Inc., a Maryland corporation, the Subsidiaries of the Company party hereto, as Guarantors, the Lenders and L/C Issuers party hereto and Bank of America, N.A., as administrative agent (including Annex B - Second Amended and Restated Credit Agreement dated as of November 21, 2022, by and among FTI Consulting, Inc., the designated borrowers party thereto, the guarantors party thereto, the lenders party thereto, and Bank of America, N.A., as administrative agent. (Filed with the Securities and Exchange Commission on November 22, 2022 as an exhibit to FTI Consulting, Inc.'s Current Report on Form 8-K dated November 21, 2022 and incorporated herein by reference.)
14.1	FTI Consulting, Inc. Code of Ethics and Business Conduct, Amended and Restated Effective as of June 8, 2023 (Filed with the Securities and Exchange Commission on June 12, 2023 as an exhibit to FTI Consulting, Inc.'s Current Report on From 8-K dated June 7, 2023 and incorporated herein by reference.)
19.1	Policy on Insider Information and Insider Trading [Amended and Restated Effective February 27, 2023] (Filed with the Securities and Exchange Commission on April 27, 2023 as an exhibit to FTI Consulting, Inc's Quarterly Report on Form 10-Q for the quarter ended March 31, 2023 and incorporated by herein by reference).
21.1 †	Subsidiaries of FTI Consulting, Inc.
23.1 †	Consent of KPMG LLP.
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 USC. Section 1350 (Section 906 of the Sarbanes-Oxley Act of 2002).
32.2 †	Certification of Principal Financial Officer Pursuant to 18 USC. Section 1350 (Section 906 of the Sarbanes-Oxley Act of 2002).
97.1 †	Compensation Recoupment (Clawback) Policy Effective October 2, 2023.
99.1	Policy on Disclosure Controls, as Amended and Restated Effective as of January 1, 2016. (Filed with the Securities and Exchange Commission as an exhibit to FTI Consulting, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2016, filed with the SEC on February 28, 2017 and incorporated herein by reference.)

Exhibit Number	Description of Exhibits
99.2	Corporate Governance Guidelines, as last Amended and Restated Effective as of September 20, 2018. (Filed with the Securities and Exchange Commission as an exhibit to FTI Consulting, Inc.'s Annual Report on Form 10-K for the Year Ended December 31, 2018, filed with the SEC on February 27, 2019 and incorporated herein by reference.)
99.3	Categorical Standards of Director Independence, as last Amended and Restated Effective as of February 25, 2009. (Filed with the Securities and Exchange Commission on February 28, 2013 as an exhibit to FTI Consulting, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2012 and incorporated herein by reference.)
99.4	Charter of Audit Committee of the Board of Directors, as last Amended and Restated Effective as of February 23, 2011. (Filed with the Securities and Exchange Commission on April 18, 2011 as an exhibit to FTI Consulting, Inc.'s Definitive Proxy Statement on Schedule 14A and incorporated herein by reference.)
99.5	Charter of the Compensation Committee of the Board of Directors, as last Amended and Restated Effective as of February 27, 2013. (Filed with the Securities and Exchange Commission on May 9, 2013 as an exhibit to FTI Consulting, Inc.'s Quarterly Report on Form 10-Q for the quarter ended March 31, 2013 and incorporated herein by reference.)
99.6	Charter of the Nominating, Corporate Governance and Social Responsibility Committee of the Board of Directors, as last Amended and Restated Effective as of March 23, 2021. (Filed with the Securities and Exchange Commission on April 19, 2021 as an appendix to FTI Consulting, Inc.'s Definitive Proxy Statement on Schedule 14A and incorporated herein by reference.)
99.7	Anti-Corruption Policy, as Amended and Restated Effective February 18, 2020.
101	The following financial information from the Annual Report on Form 10-K of FTI Consulting, Inc. for the year ended December 31, 2023, included herewith, and formatted in Inline XBRL (eXtensible Business Reporting Language): (i) Consolidated Balance Sheets; (ii) Consolidated Statements of Comprehensive Income; (iii) Consolidated Statements of Stockholders' Equity; (iv) Consolidated Statements of Cash Flows; and (v) Notes to the Consolidated Financial Statements, tagged as blocks of text.
104	The cover page from the Company's Annual Report on Form 10-K for the year ended December 31, 2023, formatted in Inline XBRL (included as Exhibit 101).

* Management contract or compensatory plan or arrangement.
† Filed or furnished herewith.
** With certain exceptions, annexes, exhibits and schedules (or similar attachments) to the Second Amendment and Restatement Agreement and exhibits and schedules to the Second Amended and Restated Credit Agreement are not filed. FTI Consulting, Inc. will furnish supplementally a copy of any omitted annex, exhibit or schedule to the Securities and Exchange Commission upon request.
± Exhibits and schedules (or similar attachments) to the Amended and Restated Lease are not filed. FTI Consulting, Inc. will furnish supplementally a copy of any omitted Exhibit or Schedule (or similar attachment) to the Securities and Exchange Commission upon request.

ITEM 16. FORM 10-K SUMMARY

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned; thereunto duly authorized this 22nd day of February 2024.

FTI CONSULTING, INC.

By:	/s/ STEVEN H. GUNBY
Name:	**Steven H. Gunby**
Title:	**President and Chief Executive Officer**

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

SIGNATURE	CAPACITY IN WHICH SIGNED	DATE
/s/ STEVEN H. GUNBY **Steven H. Gunby**	President, Chief Executive Officer and Director (Principal Executive Officer)	February 22, 2024
/s/ AJAY SABHERWAL **Ajay Sabherwal**	Chief Financial Officer (Principal Financial Officer)	February 22, 2024
/s/ BRENDAN KEATING **Brendan Keating**	Chief Accounting Officer and Controller (Principal Accounting Officer)	February 22, 2024
/s/ GERARD E. HOLTHAUS **Gerard E. Holthaus**	Director and Chairman of the Board	February 22, 2024
/s/ BRENDA J. BACON **Brenda J. Bacon**	Director	February 22, 2024
/s/ MARK S. BARTLETT **Mark S. Bartlett**	Director	February 22, 2024
/s/ ELSY BOGLIOLI **Elsy Boglioli**	Director	February 22, 2024
/s/ CLAUDIO COSTAMAGNA **Claudio Costamagna**	Director	February 22, 2024
/s/ NICHOLAS C. FANANDAKIS **Nicholas C. Fanandakis**	Director	February 22, 2024
/s/ STEPHEN C. ROBINSON **Stephen C. Robinson**	Director	February 22, 2024
/s/ LAUREEN E. SEEGER **Laureen E. Seeger**	Director	February 22, 2024

Exhibit 21.1

Schedule of Subsidiaries of FTI Consulting, Inc.

Legal Name	**Jurisdiction**
Bold Capital Holding B.V.	Netherlands
Bold Capital Management B.V.	Netherlands
Bold Investment Management B.V.	Netherlands
Bold Support Optimisation B.V.	Netherlands
Compass Lexecon (Belgium) SRL [fka Compass Lexecon (Belgium) SPRL]	Belgium
Compass Lexecon Economic Consulting (Beijing) Co., Ltd.	China
Compass Lexecon LLC [fka Lexecon, LLC] [fka LI Acquisition Company, LLC]	Maryland
Compass Lexecon SRL [fka FTI Consulting S.A.]	Argentina
Compass Lexecon Portugal, Unipessoal Lda	Portugal
Compass Lexecon Spain, S.L.	Spain
Cumulus Fund	Cayman Islands
Cumulus Lower Volatility Fund	Cayman Islands
Cumulus Master Fun	Cayman Islands
FD MWA Holdings Inc.	Delaware
Ferrier Hodgson Management Services Inc.	Philippines
FH Asset Management Corp.	Philippines
FH Corporate Services Inc.	Philippines
FTI (China) Limited [fka Thompson Market Services Limited]	Hong Kong
FTI Capital Advisors - Canada ULC [fka FTI Consulting (Canada) Capital Advisors ULC]	Canada
FTI Capital Advisors (Australia) Pty Ltd	Australia, New South Wales
FTI Capital Advisors (DIFC) Limited	UAE
FTI Capital Advisors (Hong Kong) Limited [fka FTI Consulting Capital Advisors (Hong Kong) Limited] [fka FTI Consulting (Hong Kong) Services Four Limited] [fka Sun Easy Investment Limited]	Hong Kong
FTI Capital Advisors Brasil LTDA	Brazil
FTI Capital Advisors, LLC [fka FTI Merger & Acquisition Advisors, LLC]	Maryland
FTI Capital Management (Cayman) Limited	Cayman Islands
FTI Capital Management LLC	Maryland
FTI Cayman Group Holdings Limited	Cayman Islands
FTI Consulting - FD Australia Holdings Pty Ltd [fka FD Australia Holdings Pty Ltd]	Australia, Victoria
FTI Consulting – Qatar LLC [fka Dispute Resolution Consulting LLC]	Qatar
FTI Consulting (Asia) Ltd [fka International Risk Limited]	Hong Kong
FTI Consulting (Australia) Pty Ltd	Australia
FTI Consulting (Beijing) Co., Limited [fka - FD (Beijing) Consulting Co., Ltd.]	Beijing, China

FTI Consulting (BVI) Limited [fka FTI Forensic Accounting Limited] [fka Forensic Accounting Limited]	British Virgin Islands
FTI Consulting (Cayman) Ltd	Cayman Islands
FTI Consulting (China) Ltd. Fka Thompson Market Services (Shanghai) Co. Ltd	China
FTI Consulting (DIFC) Limited	United Arab Emirates
FTI Consulting (Government Affairs) LLC	New York
FTI Consulting (Hong Kong) Limited	Hong Kong
FTI Consulting (Hong Kong) Services One Limited [fka Chater Secretaries Limited]	Hong Kong
FTI Consulting (Hong Kong) Services Two Limited [fka Lansdowne Nominees Limited]	Hong Kong
FTI Consulting (ME) Limited	United Arab Emirates
FTI Consulting (Perth) Pty Ltd [fka FD PTY LIMITED] [fka FD Third Person Perth Pty Limited] [fka Kudos Consultants Pty Limited]	Australia
FTI Consulting (SC) Inc. [fka FD U.S. Communications, Inc.]	New York
FTI Consulting (Singapore) PTE. LTD. [fka FS Asia Advisory Pte. LTD.]	Singapore
FTI Consulting (Strategic Communications) S.A.S. [fka Financial Dynamics S.A.S.]	France
FTI Consulting (Sydney) Pty Ltd [fka FD (Sydney) PTY LTD] [fka FD Third Person Pty Limited] [fka Third Person Communications Pty Limited] [fka Kelly Gold Partners Pty Ltd] [fka Thornton Kelly Gold Communications Pty Ltd]	Australia, New South Wales
FTI Consulting Acuity LLC	Maryland
FTI Consulting Australia Nominees Pty Ltd	Australia
FTI Consulting B.V. [fka Irharo B.V.]	Netherlands
FTI Consulting Belgium SRL [fka FTI Consulting Belgium SA] [fka Blueprint Partners SA]	Belgium
FTI Consulting Canada Inc. [fka Watson, Edgar, Bishop, Meakin & Aquirre Inc.]	British Columbia, Canada
FTI Consulting Canada ULC	British Columbia, Canada
FTI Consulting Capital Advisors (Singapore) Pte Ltd.	Singapore
FTI Consulting Cayman Holdings Limited	Cayman Islands
FTI Consulting Corporate Services (Cayman) Limited [fka FTI Consulting Directors (Cayman) Limited]	Cayman Islands
FTI Consulting Denmark ApS	Denmark
FTI Consulting Deutschland GmbH	Germany
FTI Consulting Deutschland Group Holdings GmbH [fka Blitz F19-527 GmbH]	Germany
FTI Consulting Deutschland Holding GmbH [fka Maia Neunundzwanzigste Vermögensverwaltungs-GmbH]	Germany
FTI Consulting Doha LLC	Qatar
FTI Consulting Finland Limited	England and Wales

FTI Consulting for Business Services [fka Delta Partners LLC]	Saudi Arabia
FTI Consulting Global Holdings Limited	England and Wales
FTI Consulting Group Holdings, Inc.	District of Columbia
FTI Consulting Group Limited [fka Financial Dynamics Ltd.]	England and Wales
FTI Consulting Gulf Limited [FD Gulf Limited] [fka FD Dubai Limited]	England and Wales
FTI Consulting Holdings, Inc.	Delaware
FTI Consulting India Private Limited [fka FD Communications India Private Limited]	India
FTI Consulting International Limited	British Virgin Islands
FTI Consulting Italy S.R. L.	Italy
FTI Consulting LLC	Maryland
FTI Consulting LLP [fka FTI Consulting Management LLP]	England and Wales
FTI Consulting Malaysia SDN. BHD.	Malaysia
FTI Consulting Management Limited [fka FTI Consulting Limited] [fka Carmill Limited]	England and Wales
FTI Consulting Management Ltd [fka FTI Consulting (Asia) Limited] [fka Baker Tilly Hong Kong Business Recovery Ltd] [fka Baker Tilly Purserblade Asia Limited] [fka Purserblade Asia Limited]	Hong Kong
FTI Consulting Management Services Limited	British Virgin Islands
FTI Consulting Management Solutions Limited [fka Distinct Intelligence Limited]	Ireland
FTI Consulting Media Center FZ-LLC	UAE
FTI Consulting Mexico, S.C. [fka FTI Consulting Mexico S DE RL DE CV] [fka FDFTI Mexico S DE RL DE CV]	Mexico
FTI Consulting Pte Ltd. [fka International Risk (Singapore) Pte Ltd.]	Singapore
FTI Consulting Realty LLC	New York
FTI Consulting Realty, Inc.	California
FTI Consulting Regional Headquarter Company	Saudi Arabia
FTI Consulting S.A.S. [fka FTI Consulting (SC) Ltda.] [fka FD Gravitas Ltda.] [fka Gravitas Comunicaciones Estrategicos Limitada]	Colombia
FTI Consulting SC GmbH [fka Financial Dynamics GmbH] [fka A & B Financial Dynamics gmbh]	Germany
FTI Consulting Services (Israel) Ltd	Israel
FTI Consulting Solutions Limited [fka Brewer Consulting Limited]	England And Wales
FTI Consulting South Africa (Pty) Ltd [fka FD Media and Investor Relations Pty Ltd] [fka Beachhead Media and Investor Relations (Proprietary) Limited]	S. Africa
FTI Consulting Spain, S.R.L.	Spain
FTI Consulting Sweden AB	Sweden

FTI Consulting Switzerland GmbH	Switzerland
FTI Consulting Technology (Sydney) Pty Ltd [fka FTI Ringtail (AUST) PTY LTD] [fka FTI Australia Pty Ltd.]	Australia
FTI Consulting Technology LLC [fka FTI Technology LLC] [fka FTI Repository Services, LLC]	Maryland
FTI Consulting Technology Software Corp [fka Attenex Corporation]	Washington
FTI Consulting Trade Advisory, LLC [fka FTI Consulting Platt Sparks LLC]	Texas
FTI Consulting UK1 Holdings Limited	England and Wales
FTI Consulting UK2 Holdings Limited	England and Wales
FTI Consulting UK3 Holdings Limited	England and Wales
FTI Consultoria Ltda. [fka FTI Holder Consultoria LTDA] [fka FTI Holder Consultoria S.A.]* [fka Arbok Holdings S.A.]	Brazil
FTI Director Services Limited [fka FS Director Services Limited]	British Virgin Islands
FTI Director Services Number 2 Limited [fka FS Director Services Number 2 Limited]	British Virgin Islands
FTI Director Services Number 3 Limited [fka FS Director Services Number 3 Limited]	British Virgin Islands
FTI Financial Services Limited [fka Hoodwell Limited]	UK
FTI France SAS [fka FTI France SARL]	Paris, France
FTI Hosting LLC	Maryland
FTI International LLC [fka FTI FD LLC]	Maryland
FTI Investigations, LLC	Maryland
FTI UK Holdings Limited	England and Wales
FTI, LLC	Maryland
FTI-Andersch AG	Germany
FTI-Andersch digital GmbH [fka Andersch digital GmbH]	Germany
FTI-Andersch Management GmbH [fka Andersch Management GmbH]	Germany
Greenleaf Power Management LLC	Maryland
IRL (Holdings) Limited	British Virgin Islands
OC 536 Offshore Fund, Ltd.	Cayman Islands
Portal Arbitrage Opportunities Offshore Fund Ltd.	Cayman Islands
PT. FTI Consulting Indonesia	Indonesia
Sports Analytics LLC	Maryland
The Lost City Estates S.A.	Panama
Value Realisation GP LTD	Cayman Islands

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the registration statements (No. 333-218558 and No. 333-238898) on Form S-8 of our reports dated February 22, 2024, with respect to the consolidated financial statements of FTI Consulting, Inc. and the effectiveness of internal control over financial reporting.

/s/ KPMG LLP

McLean, Virginia
February 22, 2024

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 Annual Report on Form 10-K 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 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: February 22, 2024

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 Annual Report on Form 10-K 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 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: February 22, 2024

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 Annual Report of FTI Consulting, Inc. (the "Company") on Form 10-K for the year ended December 31, 2023, 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: February 22, 2024

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 Annual Report of FTI Consulting, Inc. (the “Company”) on Form 10-K for the year ended December 31, 2023, 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: February 22, 2024

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.

FTI CONSULTING, INC. COMPENSATION RECOUPMENT (CLAWBACK)

POLICY

<u>Recoupment of Incentive-Based Compensation</u>

It is the policy of FTI Consulting, Inc. (the "Company") that, in the event the Company is required to prepare an accounting restatement of the Company's financial statements due to the Company's material non-compliance with any financial reporting requirement under the federal securities laws (including any such correction that is material to the previously issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period), the Company will recover on a reasonably prompt basis the amount of any Incentive-Based Compensation Received by a Covered Executive during the Recovery Period that exceeds the amount that otherwise would have been Received had it been determined based on the restated financial statements. Capitalized terms used herein are defined elsewhere within this Policy.

<u>Policy Administration and Definitions</u>

This Policy is administered by the Compensation Committee (the "Committee") of the Company's Board of Directors (the "Board"), who shall act in consultation with the Audit Committee of the Board, and is intended to comply with, and as applicable to be administered and interpreted consistent with, and subject to the exceptions set forth in, Listing Standard 303A.14 adopted by the New York Stock Exchange to implement Rule 10D-1 under the Securities Exchange Act of 1934, as amended (collectively, "Rule 10D-1").

For purposes of this Policy:

"Incentive-Based Compensation" means any compensation granted, earned or vested based in whole or in part on the Company's attainment of a financial reporting measure that was Received by a person (i) on or after October 2, 2023 and after the person began service as a Covered Executive, and (ii) who served as a Covered Executive at any time during the performance period for the Incentive-Based Compensation. A financial reporting measure is (i) any measure that is determined and presented in accordance with the accounting principles used in preparing the Company's financial statements and any measure derived wholly or in part from such a measure, and (ii) any measure based in whole or in part on the Company's stock price or total shareholder return.

Incentive-Based Compensation is deemed to be "Received" in the fiscal period during which the relevant financial reporting measure is attained, regardless of when the compensation is actually paid or awarded.

"Covered Executive" means any "officer" of the Company as defined under Rule 16a-1(f) under the Securities Exchange Act of 1934, as amended.

"Policy" means this Compensation Recoupment (Clawback) Policy, as amended, modified or restated from time to time.

"Recovery Period" means the three completed fiscal years immediately preceding the date that the Company is required to prepare the accounting restatement described in this Policy, all as determined pursuant to Rule 10D-1, and any transition period of less than nine months that is within or immediately following such three fiscal years.

If the Committee determines the amount of Incentive-Based Compensation Received by a Covered Executive during a Recovery Period exceeds the amount that would have been Received if determined or calculated based on the Company's restated financial results, such excess amount of Incentive-Based Compensation shall be subject to recoupment by the Company pursuant to this Policy. For Incentive-Based Compensation based on stock price or total shareholder return, where the amount of erroneously awarded compensation is not subject to mathematical recalculation directly from the information in an accounting restatement, the Committee will determine the amount based on a reasonable estimate of the effect of the accounting restatement on the relevant stock price or total shareholder return. In all cases, the calculation of the excess amount of Incentive-Based Compensation to be recovered will be determined without regard to any taxes paid with respect to such compensation. The Company will maintain and will provide to the New York Stock Exchange documentation of all determinations and actions taken in complying with this Policy. Any determinations made by the Committee under this Policy shall be final and binding on all affected individuals.

The Company may effect any recovery pursuant to this Policy by requiring payment of such amount(s) to the Company, by set-off, by reducing future compensation, or by such other means or combination of means as the Committee determines to be appropriate. The Company need not recover the excess amount of Incentive-Based Compensation if and to the extent that the Committee determines that such recovery is impracticable, subject to and in accordance with any applicable exceptions under the New York Stock Exchange listing rules, and not required under Rule 10D-1, including if the Committee determines that the direct expense paid to a third party to assist in enforcing this Policy would exceed the amount to be recovered after making a reasonable attempt to recover such amounts. The Company is authorized to take appropriate steps to implement this Policy with respect to Incentive-Based Compensation arrangements with Covered Executives.

Any right of recoupment or recovery pursuant to this Policy is in addition to, and not in lieu of, any other remedies or rights of recoupment that may be available to the Company pursuant to the terms of any other policy, any employment agreement or plan or award terms, and any other legal remedies available to the Company; provided that the Company shall not recoup amounts pursuant to such other policy, terms or remedies to the extent it is recovered pursuant to this Policy. The Company shall not indemnify any Covered Executive against the loss of any Incentive-Based Compensation pursuant to this Policy.

Effective as of October 2, 2023