



FTI Consulting, Inc.

Third Quarter 2016 Earnings Conference Call



Cautionary Note About Forward-Looking Statements

This presentation includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which involve uncertainties and risks. Forward-looking statements include statements concerning our plans, objectives, goals, strategies, future events, future revenues, future results and performance, expectations, plans or intentions relating to acquisitions and other matters, business trends and other information that is not historical, including statements regarding estimates of our future financial results. When used in this presentation, words such as "anticipates," "estimates," "expects," "goals," "intends," "believes," "forecasts," "targets," "objectives" and variations of such words or similar expressions are intended to identify forward-looking statements. All forward-looking statements, including, without limitation, estimates of our future financial results, are based upon our expectations at the time we make them and various assumptions. Our expectations, beliefs, projections and growth targets are expressed in good faith, and we believe there is a reasonable basis for them. However, there can be no assurance that management's expectations, beliefs, estimates or growth targets will be achieved, and the Company's actual results may differ materially from our expectations, beliefs, estimates and growth targets. The Company has experienced fluctuating revenues, operating income and cash flow in prior periods and expects that this will occur from time to time in the future. Other factors that could cause such differences include declines in demand for, or changes in, the mix of services and products that we offer, the mix of the geographic locations where our clients are located or where services are performed, adverse financial, real estate or other market and general economic conditions, which could impact each of our segments differently, the pace and timing of the consummation and integration of past and future acquisitions, the Company's ability to realize cost savings and efficiencies, competitive and general economic conditions, retention of staff and clients and other risks described under the heading "Item 1A Risk Factors" in the Company's most recent Form 10-K filed with the SEC and in the Company's other filings with the SEC, including the risks set forth under "Risks Related to Our Reportable Segments" and "Risks Related to Our Operations." We are under no duty to update any of the forward-looking statements to conform such statements to actual results or events and do not intend to do so.

Third Quarter 2016

Select Financial Review

All numbers in \$000s, except for per share data and percentages

	Q3 2016	Q2 2016	% Variance	Q3 2015	% Variance
Revenues	\$ 438,042	\$ 460,147	(4.8%)	\$ 455,470	(3.8%)
Net Income	\$ 21,691	\$ 26,547	(18.3%)	\$ 10,309	110.4%
Fully Diluted Earnings Per Share	\$ 0.52	\$ 0.64	(18.8%)	\$ 0.25	108.0%
Adjusted Earnings Per Diluted Share⁽¹⁾	\$ 0.52	\$ 0.66	(21.2%)	\$ 0.53	(1.9%)
Adjusted EBITDA⁽¹⁾	\$ 47,229	\$ 56,580	(16.5%)	\$ 56,102	(15.8%)
Adjusted EBITDA Margin⁽¹⁾	10.8%	12.3%	-	12.3%	-

⁽¹⁾ See "Financial Tables" and "End Notes: FTI Consulting Financial Measures" for the definitions and reconciliations of Adjusted EBITDA and Adjusted Earnings Per Diluted Share, which are non-GAAP financial measures, to the most directly comparable GAAP measures, and the definition of Adjusted EBITDA Margin.

Third Quarter 2016

Select Segment Financial Review

All numbers in \$000s, except for percentages

	Q3 2016	Q2 2016	% Variance	Q3 2015	% Variance
Corporate Finance & Restructuring					
Revenue	\$ 110,617	\$ 132,142	(16.3%)	\$ 113,487	(2.5%)
Adjusted Segment EBITDA	\$ 17,762	\$ 32,041	(44.6%)	\$ 26,662	(33.4%)
Adjusted Segment EBITDA Margin	16.1%	24.2%	-	23.5%	-
Forensic and Litigation Consulting					
Revenue	\$ 115,045	\$ 118,193	(2.7%)	\$ 116,158	(1.0%)
Adjusted Segment EBITDA	\$ 16,554	\$ 15,190	9.0%	\$ 13,406	23.5%
Adjusted Segment EBITDA Margin	14.4%	12.9%	-	11.5%	-
Economic Consulting					
Revenue	\$ 122,480	\$ 118,006	3.8%	\$ 114,541	6.9%
Adjusted Segment EBITDA	\$ 18,354	\$ 15,381	19.3%	\$ 16,654	10.2%
Adjusted Segment EBITDA Margin	15.0%	13.0%	-	14.5%	-
Technology					
Revenue	\$ 44,072	\$ 41,882	5.2%	\$ 55,568	(20.7%)
Adjusted Segment EBITDA	\$ 7,398	\$ 5,035	46.9%	\$ 10,813	(31.6%)
Adjusted Segment EBITDA Margin	16.8%	12.0%	-	19.5%	-
Strategic Communications					
Revenue	\$ 45,828	\$ 49,924	(8.2%)	\$ 55,716	(17.7%)
Adjusted Segment EBITDA	\$ 7,509	\$ 8,440	(11.0%)	\$ 8,717	(13.9%)
Adjusted Segment EBITDA Margin	16.4%	16.9%	-	15.6%	-

Third Quarter 2016

Select Geographic Review

Region	Percentage of Consolidated Revenues			Revenue Growth	
	Q3 2016	Q2 2016	Q3 2015	Q3 2016 vs. Q2 2016	Q3 2016 vs. Q3 2015
North America	72.9%	70.8%	74.0%	(2.1%)	(5.3%)
EMEA	18.5%	20.2%	17.7%	(12.8%)	0.6%
Asia Pacific	6.9%	7.2%	6.0%	(8.2%)	10.7%
Latin America	1.7%	1.8%	2.3%	(7.8%)	(27.5%)

Third Quarter 2016

Select Cash Position/Capital Allocation

All numbers in \$000s except for DSO

	Year to Date Q3 2016	Year to Date Q2 2016	Year to Date Q3 2015
Cash and cash equivalents	\$ 225,184	\$ 182,665	\$ 104,974
Accounts receivable, net	\$ 547,588	\$ 547,298	\$ 554,400
Days sales outstanding ("DSO")	106	100	105
Net cash provided by operating activities	\$ 111,575	\$ 40,633	\$ 43,303
Purchases of property and equipment	\$ (22,855)	\$ (11,983)	\$ (24,674)
Payments for acquisition of businesses, net of cash received	\$ (56)	\$ (56)	\$ (575)
Purchase and retirement of common stock	\$ (2,903)	\$ (2,903)	\$ -
Total Debt ⁽¹⁾	\$ 475,000	\$ 500,000	\$ 520,000

(1) Total debt excludes the reduction for deferred debt issue costs of \$4.7 million as of September 30, 2016, \$4.8 million as of June 30, 2016 and \$5.4 million as of September 30, 2015.

Reconciliation of Non-GAAP Financial Measures

Reconciliation of Net Income to Adjusted Net Income and Earnings Per Share to Adjusted EPS: Three Months Ended September 30, 2016 and 2015, June 30, 2016 and Nine Months Ended September 30, 2016 and 2015

All numbers in \$000s, except for per share data

	Three Months Ended September 30,		Three Months Ended June 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015	2016	2015
Net income	\$21,691	\$10,309	\$26,547		\$78,419	\$55,704
Special charges, net of tax ⁽¹⁾	-	-	1,059		4,328	-
Loss on early extinguishment of debt, net of tax ⁽²⁾	-	11,881	-		-	11,881
Remeasurement of acquisition-related contingent consideration, net of tax ⁽³⁾	-	-	-		600	(1,005)
Adjusted Net Income⁽⁴⁾	\$21,691	\$22,190	\$27,606		\$83,347	\$66,580
Earnings per common share – diluted	\$0.52	\$0.25	\$0.64		\$1.88	\$1.34
Special charges, net of tax ⁽¹⁾	-	-	0.02		\$0.10	-
Loss on early extinguishment of debt, net of tax ⁽²⁾	-	0.28	-		-	0.28
Remeasurement of acquisition-related contingent consideration, net of tax ⁽³⁾	-	-	-		0.02	(0.02)
Adjusted EPS – diluted⁽⁴⁾	\$0.52	\$0.53	\$0.66		\$2.00	\$1.60
Weighted average number of common shares outstanding – diluted	42,065	41,982	41,599		41,605	41,682

(1) The tax expense related to the adjustments for special charges for the three months ended June 30, 2016 was \$0.7 million, or \$0.02 impact on Adjusted EPS. The tax expense related to the adjustments for special charges for the nine months ended September 30, 2016 was \$2.5 million, or \$0.06 impact on Adjusted EPS. There were no special charges for the three months ended September 30, 2016 and 2015 and nine months ended September 30, 2015.

(2) The tax expense related to the adjustments for loss on early extinguishment of debt for the three months ended September 30, 2015 was \$7.7 million, or \$0.18 impact on Adjusted EPS. The tax expense related to the adjustments for loss on early extinguishment of debt for the nine months ended September 30, 2015 was \$7.7 million, or \$0.18 impact on Adjusted EPS. There were no adjustments related to the early extinguishment of debt for the three and nine months ended September 30, 2016, three months ended June 30, 2016.

(3) The tax expense related to the adjustments for remeasurement of acquisition-related contingent consideration for the nine months ended September 30, 2016 was \$0.4 million, or \$0.01 impact on Adjusted EPS. The tax expense related to the adjustments for remeasurement of acquisition-related contingent consideration for the nine months ended September 30, 2015 was \$0.7 million, or \$0.02 impact on Adjusted EPS.

(4) See “End Notes: FTI Consulting Financial Measures” for the definition of Adjusted Net Income and Adjusted Earnings per Diluted Share, which are non-GAAP financial measures.

Reconciliation of Net Income and Operating Income to Adjusted EBITDA: Three Months Ended September 30, 2016 and 2015

All numbers in \$000s

Three Months Ended September 30, 2016							
	Corporate Finance & Restructuring	Forensic and Litigation Consulting	Economic Consulting	Technology	Strategic Communications	Unallocated Corporate	Total
Net income							\$21,691
Interest income and other							(3,213)
Interest expense							6,304
Income tax provision							10,292
Operating income	\$16,182	\$14,867	\$16,888	\$2,869	\$6,006	(\$21,738)	\$35,074
Depreciation and amortization	698	1,203	1,312	4,121	586	1,390	9,310
Amortization of other intangible assets	882	484	154	408	917	-	2,845
Adjusted EBITDA⁽¹⁾	\$17,762	\$16,554	\$18,354	\$7,398	\$7,509	(\$20,348)	\$47,229

Three Months Ended September 30, 2015							
	Corporate Finance & Restructuring	Forensic and Litigation Consulting	Economic Consulting	Technology	Strategic Communications	Unallocated Corporate	Total
Net income							\$10,309
Interest Income and other							(2,027)
Interest expense							11,696
Loss on early extinguishment of debt							19,589
Income tax provision							6,177
Operating income	\$25,112	\$11,944	\$15,498	\$6,830	\$7,235	(\$20,875)	\$45,744
Depreciation and amortization	677	925	848	3,784	499	725	7,458
Amortization of other intangible assets	873	537	308	199	983	-	2,900
Adjusted EBITDA⁽¹⁾	\$26,662	\$13,406	\$16,654	\$10,813	\$8,717	(\$20,150)	\$56,102

⁽¹⁾ See "End Notes: FTI Consulting Financial Measures" for the definition of Adjusted EBITDA, which is a non-GAAP financial measure.

Reconciliation of Net Income and Operating Income to Adjusted EBITDA: Three Months Ended June 30, 2016

All numbers in \$000s

Three Months Ended June 30, 2016							
	Corporate Finance & Restructuring	Forensic and Litigation Consulting	Economic Consulting	Technology	Strategic Communications	Unallocated Corporate	Total
Net income							\$26,547
Interest income and other							(4,125)
Interest expense							6,303
Income tax provision							15,437
Operating income	\$30,482	\$11,925	\$14,291	\$880	\$6,990	(\$20,406)	\$44,162
Depreciation and amortization	755	996	935	3,996	497	899	8,078
Amortization of other intangible assets	804	519	155	159	953	-	2,590
Special charges	-	1,750	-	-	-	-	1,750
Adjusted EBITDA⁽⁴⁾	\$32,041	\$15,190	\$15,381	\$5,035	\$8,440	(\$19,507)	\$56,580

⁽⁴⁾ See "End Notes: FTI Consulting Financial Measures" for the definition of Adjusted EBITDA, which is a non-GAAP financial measure.

Reconciliation of Net Income and Operating Income to Adjusted EBITDA: Nine Months Ended September 30, 2016 and 2015

All numbers in \$000s

Nine Months Ended September 30, 2016							
	Corporate Finance & Restructuring	Forensic and Litigation Consulting	Economic Consulting	Technology	Strategic Communications	Unallocated Corporate	Total
Net income							\$78,419
Interest income and other							(9,895)
Interest expense							18,836
Income tax provision							44,115
Operating income (loss)	\$76,740	\$45,005	\$51,390	\$2,569	\$16,661	(\$60,890)	\$131,475
Depreciation and amortization	2,175	3,278	3,172	11,901	1,602	3,231	25,359
Amortization of other intangible assets	2,491	1,519	492	725	2,814	-	8,041
Special charges	-	1,750	-	5,061	-	-	6,811
Remeasurement of acquisition-related contingent consideration	-	-	-	-	980	-	980
Adjusted EBITDA⁽⁴⁾	\$81,406	\$51,552	\$55,054	\$20,256	\$22,057	(\$57,659)	\$172,666

Nine Months Ended September 30, 2015							
	Corporate Finance & Restructuring	Forensic and Litigation Consulting	Economic Consulting	Technology	Strategic Communications	Unallocated Corporate	Total
Net income							\$55,704
Interest Income and other							(2,840)
Interest expense							36,537
Loss on extinguishment of debt							19,589
Income tax provision							31,756
Operating income	\$67,782	\$50,894	\$40,076	\$21,493	\$15,558	(\$55,057)	\$140,746
Depreciation and amortization	2,141	2,862	2,686	10,969	1,579	2,332	22,569
Amortization of other intangible assets	2,742	1,700	924	590	2,963	-	8,919
Remeasurement of acquisition-related contingent consideration	(1,491)	-	(184)	-	-	-	(1,675)
Adjusted EBITDA⁽⁴⁾	\$71,174	\$55,456	\$43,502	\$33,052	\$20,100	(\$52,725)	\$170,559

⁽⁴⁾ See "End Notes: FTI Consulting Financial Measures" for the definition of Adjusted EBITDA, which is a non-GAAP financial measure.



End Notes

FTI Consulting Financial Measures

We have included the definitions of Segment Operating Income (Loss), Adjusted Segment EBITDA and Adjusted Segment EBITDA Margin, GAAP financial measures, below in order to more fully define the components of certain non-GAAP measures presented in this earnings release. We define Segment Operating Income (Loss) as a segment's share of Consolidated Operating Income (Loss). We define Total Segment Operating Income (Loss), a non-GAAP financial measure, as the total of Segment Operating Income (Loss) for all segments, which excludes unallocated corporate expenses. We use Segment Operating Income (Loss) for the purpose of calculating Adjusted Segment EBITDA. We define Adjusted Segment EBITDA as a segment's share of Consolidated Operating Income (Loss) before depreciation, amortization of intangible assets, remeasurement of acquisition-related contingent consideration, special charges and goodwill impairment charges. We define Adjusted Segment EBITDA Margin as Adjusted Segment EBITDA as a percentage of a segment's revenues. We use Adjusted Segment EBITDA to internally evaluate the financial performance of our segments because we believe it is a useful measure which reflects current core operating performance and provides an indicator of the segment's ability to generate cash.

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

We define Adjusted Net Income and Adjusted Earnings per Diluted Share ("Adjusted EPS"), non-GAAP financial measures, as net income (loss) and earnings per diluted share ("GAAP EPS"), respectively, excluding the impact of remeasurement of acquisition-related contingent consideration, special charges, goodwill impairment charges and losses on early extinguishment of debt. We use Adjusted Net Income for the purpose of calculating Adjusted EPS. Management uses Adjusted EPS to assess total company operating performance on a consistent basis. We believe that this measure, when considered together with our GAAP financial results and GAAP financial measures, provides management and investors with a more complete understanding of our business operating results, including underlying trends, by excluding the effects of remeasurement of acquisition-related contingent consideration, special charges, goodwill impairment charges and losses on early extinguishment of debt.

Non-GAAP financial measures are not defined in the same manner by all companies and may not be comparable to 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. Reconciliations of non-GAAP financial measures to GAAP are included in the financial tables accompanying this press release.

Appendix

Third Quarter 2016 Awards & Accolades

FTI Consulting and Compass Lexecon recognized as **Most Highly Regarded Firms in Who's Who Legal: Consulting Experts Guide** – garners **top position with 98 experts** recognized – the most experts named of any firm

FTI Consulting **ranked the No. 1 provider** in crisis management, litigation valuation, case management software and corporate investigations support by **Corporate Counsel** – selected a top provider in 13 categories

Five professionals named to **Intellectual Asset Management ("IAM") magazine's Patent 1000 – The World's Leading Patent Professionals guide** (Carrie Distler, Christopher Gerardi, Brian Napper, Stephen Prowse, Ph.D. and Vince Thomas)

FTI Consulting wins **Mega Company Turnaround of the Year Award from Turnaround Management Association** for Chassix Holdings, Inc. restructuring

FTI Consulting named **No. 1 Crisis Management Firm** with the most professionals of any firm named to the **The Deal's Q2 2016 Bankruptcy League Tables**

FTI Consulting named **No. 1 provider of Dispute Advisory & Analysis Services by ALM Intelligence** in the 2016 ALM Disputes Report

Winner of a **Gold Sabre Award** in Asia Pacific in the **Financial Communications** category for FTI Consulting's work with the **Haier Group**

Winner of **Best IPO Communications** at the **Corporate & Financial Awards in the UK** by **Communicate** magazine

Honored as **Best Intellectual Property Consulting Firm** by **The National Law Journal**

Radiance Visual Analytics Platform wins **Computer Technology Review's ("CTR") MVP Award** in the Big Data category

Experts with Impact