

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

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): February 22, 2024

FTI CONSULTING, INC.

(Exact Name of Registrant as Specified in Its Charter)

Maryland
(State or Other Jurisdiction
of Incorporation)

001-14875
(Commission
File Number)

52-1261113
(I.R.S. Employer
Identification No.)

555 12th Street NW, Washington, D.C. 20004
(Address of principal executive offices) (Zip Code)

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

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

| Title of each class | Trading symbol(s) | Name of each exchange on which registered |
|--|--------------------------|--|
| Common Stock, par value \$0.01 per share | FCN | New York Stock Exchange |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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.

ITEM 2.02. Results of Operations and Financial Condition

On February 22, 2024, FTI Consulting, Inc. (“FTI Consulting”) announced financial results for the three-months and year-ended December 31, 2023 and guidance for the year ending December 31, 2024. A copy of the press release (including accompanying financial tables) (the “Press Release”) is attached as Exhibit 99.1 to this Current Report on Form 8-K and hereby is incorporated by reference herein.

ITEM 7.01. Regulation FD Disclosure

In the Press Release, FTI Consulting uses information derived from consolidated and segment financial information that may not be presented in its financial statements or prepared in accordance with generally accepted accounting principles in the United States (“GAAP”). Certain of these measures are considered “non-GAAP financial measures” under rules promulgated by the Securities and Exchange Commission. Specifically, FTI Consulting has 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

FTI Consulting has included the definitions of “Segment Operating Income” and “Adjusted Segment EBITDA,” which are financial measures presented in accordance with GAAP, in order to more fully define the components of certain non-GAAP financial measures. FTI Consulting evaluates the performance of its operating segments based on Adjusted Segment EBITDA, and Segment Operating Income is a component of the definition of Adjusted Segment EBITDA. FTI Consulting defines “Segment Operating Income” as a segment’s share of consolidated operating income. FTI Consulting defines “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. FTI Consulting uses Segment Operating Income for the purpose of calculating Adjusted Segment EBITDA. FTI Consulting defines “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. FTI Consulting uses Adjusted Segment EBITDA as a basis to internally evaluate the financial performance of its segments because FTI Consulting believes it reflects current core operating performance and provides an indicator of the segment’s ability to generate cash.

FTI Consulting defines “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. FTI Consulting defines “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. FTI Consulting defines Adjusted EBITDA Margin as Adjusted EBITDA as a percentage of total revenues. FTI Consulting believes that the non-GAAP financial measures, which exclude the effects of remeasurement of acquisition-related contingent consideration, special charges and goodwill impairment charges, when considered together with its GAAP financial results and GAAP financial measures, provide management and investors with a more complete understanding of FTI Consulting’s operating results, including underlying trends. In addition, EBITDA is a common alternative measure of operating performance used by many of FTI Consulting’s competitors. It is used by investors, financial analysts, rating agencies and others to value and compare the financial performance of companies in FTI Consulting’s industry. Therefore, FTI Consulting also believes that these measures, considered along with corresponding GAAP financial measures, provide management and investors with additional information for comparison of its operating results with the operating results of other companies.

FTI Consulting defines “Adjusted Net Income” and “Adjusted Earnings per Diluted Share” (“Adjusted EPS”), which are non-GAAP financial measures, as net income and earnings per diluted share, respectively, excluding the impact of remeasurement of acquisition-related contingent consideration, special charges, goodwill impairment charges, losses on early extinguishment of debt, non-cash interest expense on convertible notes and gain or loss on sale of a business. FTI Consulting uses Adjusted Net Income for the purpose of calculating Adjusted EPS. Management of FTI Consulting uses Adjusted EPS to assess total company operating performance on a consistent basis. FTI Consulting believes that these non-GAAP financial measures, when considered together with its corresponding GAAP financial results and GAAP financial measures, provides management and investors with an additional understanding of its business operating results, including underlying trends.

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 FTI Consulting’s Consolidated Statements of Comprehensive Income. Reconciliations of Non-GAAP financial measures to the most directly comparable GAAP financial measures are included in the accompanying tables to the Press Release.

The information included herein, including Exhibit 99.1 furnished herewith, shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall it be incorporated by reference into any filing pursuant to the Securities Act of 1933, as amended, or the Exchange Act, regardless of any incorporation by reference language in any such filing, except as expressly set forth by specific reference in such filing.

ITEM 9.01. Financial Statements and Exhibits

(d) Exhibits

99.1 [Press Release dated February 22, 2024 of FTI Consulting, Inc.](#)

104 The Cover Page from FTI Consulting’s Current Report on Form 8-K dated February 22, 2024, formatted in Inline XBRL.

SIGNATURES

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

FTI CONSULTING, INC.

Dated: February 23, 2024

By: /s/ CURTIS P. LU

Name: Curtis P. Lu

Title: General Counsel

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FTI Consulting Reports Record Fourth Quarter and Full Year 2023 Financial Results

- *Fourth Quarter 2023 Revenues of \$924.7 Million, Up 19% Compared to \$774.4 Million in Prior Year Quarter; Excluding Estimated Positive Impact of FX, Fourth Quarter 2023 Revenues Up 18% Compared to Prior Year Quarter*
- *Fourth Quarter 2023 EPS of \$2.28, Up 71% Compared to \$1.33 in Prior Year Quarter; Fourth Quarter 2023 Adjusted EPS of \$2.28, Up 50% Compared to \$1.52 in Prior Year Quarter*
- *Full Year 2023 Revenues of \$3.489 Billion, Up 15% Compared to \$3.029 Billion in Prior Year*
- *Full Year 2023 EPS of \$7.71, Up 17% Compared to \$6.58 in Prior Year; Full Year 2023 Adjusted EPS of \$7.71, Up 14% Compared to \$6.77 in Prior Year*
- *Introduces 2024 Guidance*

Washington, D.C., February 22, 2024 — FTI Consulting, Inc. (NYSE: FCN) today released financial results for the full year and fourth quarter ended December 31, 2023.

For the full year 2023, revenues of \$3.489 billion increased \$460.3 million, or 15.2%, compared to revenues of \$3.029 billion in the prior year. The increase in revenues was due to higher demand across all business segments. Net income of \$274.9 million compared to \$235.5 million in the prior year. The increase in net income was primarily due to higher revenues, which was partially offset by higher compensation, a 17.2% increase in selling, general and administrative (“SG&A”) expenses and higher income taxes compared to the prior year. Adjusted EBITDA of \$424.8 million, or 12.2% of revenues, compared to \$357.6 million, or 11.8% of revenues, in the prior year.

Full year 2023 earnings per diluted share (“EPS”) of \$7.71 compared to \$6.58 in the prior year. Full year 2022 EPS included an \$8.3 million special charge related to severance and other employee-related costs, which reduced EPS by \$0.19. Full year 2023 Adjusted EPS of \$7.71 compared to Adjusted EPS of \$6.77 in the prior year.

Steven H. Gunby, President and Chief Executive Officer of FTI Consulting, commented, “In 2023, we continued our sustained, multi-year growth trajectory and once again delivered record revenues and earnings. These results reflect our continued ability to win in the two markets that matter most: the market for making a difference for clients and the market for great talent. That progress leaves me ever more confident about the future of our firm.”

Cash Position and Capital Allocation

Net cash provided by operating activities of \$224.5 million for the year ended December 31, 2023 compared to \$188.8 million for the year ended December 31, 2022. The year-over-year increase in net cash provided by operating activities was primarily due to higher cash collections resulting from increased revenues. 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.

Cash and cash equivalents and short-term investments of \$328.7 million at December 31, 2023 compared to \$491.7 million at December 31, 2022 and \$225.6 million at September 30, 2023. Total debt, net of cash and short-term investments, of (\$328.7) million at December 31, 2023 compared to (\$175.5) million at December 31, 2022 and \$59.4 million at September 30, 2023. The sequential decrease in total debt, net of cash and short-term investments, was primarily due to an increase in cash provided by operating activities.

There were no share repurchases during the quarter ended December 31, 2023. In full year 2023, the Company repurchased 112,139 shares of its common stock at an average price per share of \$158.70 for a total cost of \$17.8 million. As of December 31, 2023, approximately \$460.7 million remained available for common stock repurchases under the Company's stock repurchase program.

Fourth Quarter 2023 Results

Fourth quarter 2023 revenues of \$924.7 million increased \$150.3 million, or 19.4%, compared to revenues of \$774.4 million in the prior year quarter. Excluding the estimated positive impact from FX, revenues increased \$139.0 million, or 18.0%, compared to the prior year quarter. The increase in revenues was due to higher demand across all business segments. Net income of \$81.6 million compared to \$47.5 million in the prior year quarter. The increase in net income was primarily due to higher revenues, which was partially offset by higher compensation and SG&A expenses compared to the prior year quarter. Adjusted EBITDA of \$127.4 million, or 13.8% of revenues, compared to \$92.0 million, or 11.9% of revenues, in the prior year quarter.

Fourth quarter 2023 EPS of \$2.28 compared to \$1.33 in the prior year quarter. Fourth quarter 2022 EPS included the aforementioned \$8.3 million special charge, which decreased EPS by \$0.19. Fourth quarter 2023 Adjusted EPS of \$2.28 compared to Adjusted EPS of \$1.52 in the prior year quarter.

Fourth Quarter 2023 Segment Results

Corporate Finance & Restructuring

Revenues in the Corporate Finance & Restructuring segment increased \$60.2 million, or 19.7%, to \$365.6 million in the quarter compared to \$305.3 million in the prior year quarter. Excluding the estimated positive impact from FX, revenues increased \$57.2 million, or 18.7%, compared to the prior year quarter. The increase in revenues was primarily due to higher demand for business transformation & strategy and restructuring services. Adjusted Segment EBITDA of \$65.4 million, or 17.9% of segment revenues, compared to \$49.1 million, or 16.1% of segment revenues, in the prior year quarter. The increase in Adjusted Segment EBITDA was primarily due to higher revenues, which was partially offset by higher compensation, which includes the impact of a 5.5% increase in billable headcount and higher contractor costs, as well as an increase in SG&A expenses compared to the prior year quarter.

Forensic and Litigation Consulting

Revenues in the Forensic and Litigation Consulting segment increased \$17.6 million, or 11.9%, to \$165.5 million in the quarter compared to \$147.9 million in the prior year quarter. The increase in revenues was primarily due to higher demand for investigations and construction solutions services. Adjusted Segment EBITDA of \$19.2 million, or 11.6% of segment revenues, compared to \$17.1 million, or 11.6% of segment revenues, in the prior year quarter. The increase in Adjusted Segment EBITDA was primarily due to higher revenues, which was partially offset by an increase in compensation and higher SG&A expenses compared to the prior year quarter.

Economic Consulting

Revenues in the Economic Consulting segment increased \$34.1 million, or 19.8%, to \$206.1 million in the quarter compared to \$172.0 million in the prior year quarter. Excluding the estimated positive impact from FX, revenues increased \$30.3 million, or 17.6%, compared to the prior year quarter. The increase in revenues was primarily due to an increase in financial economics, non-merger and acquisition (“M&A”)-related antitrust and international arbitration revenues, which was partially offset by a decline in M&A-related antitrust revenues. Adjusted Segment EBITDA of \$38.3 million, or 18.6% of segment revenues, compared to \$27.3 million, or 15.9% of segment revenues, in the prior year quarter. The increase in Adjusted Segment EBITDA was primarily due to higher revenues, which was partially offset by an increase in compensation, which includes the impact of an 8.1% increase in billable headcount, and higher SG&A expenses compared to the prior year quarter.

Technology

Revenues in the Technology segment increased \$24.1 million, or 31.4%, to \$100.9 million in the quarter compared to \$76.8 million in the prior year quarter. Excluding the estimated positive impact from FX, revenues increased \$23.1 million, or 30.1%, compared to the prior year quarter. The increase in revenues was primarily due to higher demand for M&A-related “second request” and litigation services. Adjusted Segment EBITDA of \$12.4 million, or 12.3% of segment revenues, compared to \$11.8 million, or 15.3% of segment revenues, in the prior year quarter. The increase in Adjusted Segment EBITDA was primarily due to higher revenues, which was largely offset by higher as-needed consultant costs, an increase in compensation, which includes the impact of a 12.9% increase in billable headcount, and higher SG&A expenses compared to the prior year quarter.

Strategic Communications

Revenues in the Strategic Communications segment increased \$14.2 million, or 19.6%, to \$86.6 million in the quarter compared to \$72.4 million in the prior year quarter. Excluding the estimated positive impact from FX, revenues increased \$12.2 million, or 16.9%, compared to the prior year quarter. The increase in revenues was primarily due to higher demand for corporate reputation and public affairs services. Adjusted Segment EBITDA of \$15.6 million, or 18.0% of segment revenues, compared to \$10.5 million, or 14.5% of segment revenues, in the prior year quarter. The increase in Adjusted Segment EBITDA was primarily due to higher revenues, which was partially offset by an increase in compensation and higher SG&A expenses compared to the prior year quarter.

2024 Guidance

The Company estimates that revenues for full year 2024 will range between \$3.650 billion and \$3.790 billion. The Company estimates that EPS for full year 2024 will range between \$7.75 and \$8.50. The Company does not currently expect Adjusted EPS to differ from EPS.

Fourth Quarter and Full Year 2023 Conference Call

FTI Consulting will host a conference call for analysts and investors to discuss fourth quarter and full year 2023 financial results at 9:00 a.m. Eastern Time on Thursday, February 22, 2024. The call can be accessed live and will be available for replay over the internet for 90 days by logging onto the Company’s investor relations website [here](#).

About FTI Consulting

FTI Consulting, Inc. is a global business advisory firm dedicated to helping organizations manage change, mitigate risk and resolve disputes: financial, legal, operational, political & regulatory, reputational and transactional. With more than 7,900 employees located in 31 countries and territories, FTI Consulting professionals work closely with clients to anticipate, illuminate and overcome complex business challenges and make the most of opportunities. The Company generated \$3.5 billion in revenues during fiscal year 2023. More information can be found at www.fticonsulting.com.

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 United States (“GAAP”). Certain of these financial measures are considered not in conformity with GAAP (“non-GAAP financial measures”) under the United States Securities and Exchange Commission (“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*

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 presented in this press release. We define Segment Operating Income as a segment’s share of consolidated operating income. We define Total Segment Operating Income, which is a non-GAAP financial measure, as the total of Segment Operating Income for all segments, which excludes unallocated corporate expenses. We use Segment Operating Income for the purpose of calculating Adjusted Segment EBITDA. We define Adjusted Segment EBITDA as a segment’s share of consolidated operating income before depreciation, amortization of intangible assets, remeasurement of acquisition-related contingent consideration, special charges and goodwill impairment charges. We use Adjusted Segment EBITDA as a basis to internally evaluate the financial performance of our segments because we believe it reflects current core operating performance and provides an indicator of the segment’s ability to generate cash.

We define 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 EPS, respectively, excluding the impact of remeasurement of acquisition-related contingent consideration, special charges, goodwill impairment charges, losses on early extinguishment of debt, non-cash interest expense on convertible notes and the gain or loss on sale of a business. We use Adjusted Net Income for the purpose of calculating Adjusted EPS. Management uses Adjusted EPS to assess total Company operating performance on a consistent basis. We believe that these non-GAAP financial measures, when considered together with our GAAP financial results and GAAP financial measures, provide management and investors with an additional understanding of our business operating results, including underlying trends.

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

Safe Harbor Statement

This press release includes “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which involve uncertainties and risks. Forward-looking statements include statements concerning our plans, initiatives, projections, prospects, policies, processes and practices, objectives, goals, commitments, strategies, future events, future revenues, future results and performance, 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 and technological developments, including relating to new and emerging technologies, such as Artificial Intelligence and machine learning, and other information that is not historical, including statements regarding estimates of our future financial results. When used in this press release, words such as “estimates,” “expects,” “anticipates,” “projects,” “plans,” “intends,” “believes,” “commits,” “aspires,” “forecasts,” “future,” “goal,” “seeks” and variations of such words or similar expressions are intended to identify forward-looking statements. All forward-looking statements, including, without limitation, estimates of our future financial results, are based upon our expectations at the time we make them and various assumptions. Our expectations, beliefs and projections are expressed in good faith, and we believe there is a reasonable basis for them. However, there can be no assurance that management’s plans, expectations, intentions, aspirations, beliefs, goals, estimates, forecasts and projections will result or be achieved. Our actual financial results, performance or achievements and outcomes could differ materially from those expressed in, or implied by, any forward-looking statements. Further, unaudited quarterly results are subject to normal year-end adjustments. The Company has experienced fluctuating revenues, operating income and cash flows in prior periods and expects that this will occur from time to time in the future. Other factors that could cause such differences include declines in demand for, or changes in, the mix of services and products that we offer; the mix of the geographic locations where our clients are located or where services are performed; fluctuations in the price per share of our common stock; adverse financial, real estate or other market and general economic conditions; the impact of public health crises and related events that are beyond our control, which could affect our segments, practices and the geographic regions in which we conduct business differently and adversely; and other future events, which could impact each of our segments, practices and the geographic regions in which we conduct business differently and could be outside of our control; the pace and timing of the consummation and integration of future acquisitions; the Company’s ability to realize cost savings and efficiencies; competitive and general economic conditions; retention of staff and clients; new laws and regulations or changes thereto; and other risks described under the heading “Item 1A, Risk Factors” in the Company’s Annual Report on Form 10-K for the year ended December 31, 2023 filed with the SEC on February 22, 2024 and in the Company’s other filings with the SEC. We are under no duty to update any of the forward-looking statements to conform such statements to actual results or events and do not intend to do so.

FINANCIAL TABLES FOLLOW

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FTI CONSULTING, INC.
CONSOLIDATED BALANCE SHEETS
(in thousands, except per share amounts)

| | 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 |
| 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 |

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

| | Three Months Ended December 31, | |
|---|------------------------------------|------------------|
| | 2023 | 2022 |
| | (Unaudited) | |
| Revenues | \$924,684 | \$774,431 |
| Operating expenses | | |
| Direct cost of revenues | 613,809 | 526,139 |
| Selling, general and administrative expenses | 194,634 | 164,973 |
| Special charges | — | 8,340 |
| Amortization of intangible assets | 1,220 | 2,323 |
| | <u>809,663</u> | <u>701,775</u> |
| Operating income | <u>115,021</u> | <u>72,656</u> |
| Other income (expense) | | |
| Interest income and other | (8,088) | (6,500) |
| Interest expense | (3,896) | (2,579) |
| | <u>(11,984)</u> | <u>(9,079)</u> |
| Income before income tax provision | <u>103,037</u> | <u>63,577</u> |
| Income tax provision | <u>21,404</u> | <u>16,079</u> |
| Net income | <u>\$ 81,633</u> | <u>\$ 47,498</u> |
| Earnings per common share—basic | <u>\$ 2.34</u> | <u>\$ 1.42</u> |
| Weighted average common shares outstanding—basic | <u>34,889</u> | <u>33,552</u> |
| Earnings per common share—diluted | <u>\$ 2.28</u> | <u>\$ 1.33</u> |
| Weighted average common shares outstanding—diluted | <u>35,778</u> | <u>35,658</u> |
| Other comprehensive income, net of tax | | |
| Foreign currency translation adjustments, net of tax expense of \$— and \$— | \$ 28,244 | \$ 47,463 |
| Total other comprehensive income, net of tax | <u>28,244</u> | <u>47,463</u> |
| Comprehensive income | <u>\$109,877</u> | <u>\$ 94,961</u> |

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

| | <u>Year Ended December 31,</u> | |
|---|--------------------------------|--------------------|
| | <u>2023</u> | <u>2022</u> |
| Revenues | <u>\$3,489,242</u> | <u>\$3,028,908</u> |
| Operating expenses | | |
| Direct cost of revenues | 2,354,216 | 2,065,977 |
| Selling, general and administrative expenses | 751,306 | 641,070 |
| Special charges | — | 8,340 |
| Amortization of intangible assets | 6,159 | 9,643 |
| | <u>3,111,681</u> | <u>2,725,030</u> |
| Operating income | <u>377,561</u> | <u>303,878</u> |
| Other income (expense) | | |
| Interest income and other | (4,867) | 3,918 |
| Interest expense | (14,331) | (10,047) |
| | <u>(19,198)</u> | <u>(6,129)</u> |
| Income before income tax provision | <u>358,363</u> | <u>297,749</u> |
| Income tax provision | <u>83,471</u> | <u>62,235</u> |
| Net income | <u>\$ 274,892</u> | <u>\$ 235,514</u> |
| Earnings per common share—basic | <u>\$ 8.10</u> | <u>\$ 6.99</u> |
| Weighted average common shares outstanding—basic | <u>33,924</u> | <u>33,693</u> |
| Earnings per common share—diluted | <u>\$ 7.71</u> | <u>\$ 6.58</u> |
| Weighted average common shares outstanding—diluted | <u>35,646</u> | <u>35,783</u> |
| Other comprehensive income (loss), net of tax | | |
| Foreign currency translation adjustments, net of tax expense of \$— and \$— | \$ 26,262 | \$ (47,882) |
| Total other comprehensive income (loss), net of tax | <u>26,262</u> | <u>(47,882)</u> |
| Comprehensive income | <u>\$ 301,154</u> | <u>\$ 187,632</u> |

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

| | <u>Three Months Ended</u> <u>December 31,</u> | | <u>Year Ended</u> <u>December 31,</u> | |
|---|--|-----------------|--|------------------|
| | <u>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> |
| | (Unaudited) | | | |
| Net income | \$81,633 | \$47,498 | \$274,892 | \$235,514 |
| Add back: | | | | |
| Special charges | — | 8,340 | — | 8,340 |
| Tax impact of special charges | — | (1,584) | — | (1,584) |
| Adjusted Net Income | <u>\$81,633</u> | <u>\$54,254</u> | <u>\$274,892</u> | <u>\$242,270</u> |
| Earnings per common share — diluted | \$ 2.28 | \$ 1.33 | \$ 7.71 | \$ 6.58 |
| Add back: | | | | |
| Special charges | — | 0.23 | — | 0.23 |
| Tax impact of special charges | — | (0.04) | — | (0.04) |
| Adjusted earnings per common share — diluted | <u>\$ 2.28</u> | <u>\$ 1.52</u> | <u>\$ 7.71</u> | <u>\$ 6.77</u> |
| Weighted average number of common shares outstanding — diluted | <u>35,778</u> | <u>35,658</u> | <u>35,646</u> | <u>35,783</u> |

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

| Three Months Ended December 31, 2023 (Unaudited) | Corporate Finance & Restructuring | Forensic and Litigation Consulting | Economic Consulting | Technology | Strategic Communications | Unallocated Corporate | Total |
|---|---|--|------------------------|------------------|-----------------------------|--------------------------|-------------------|
| Net income | | | | | | | \$ 81,633 |
| Interest income and other | | | | | | | 8,088 |
| Interest expense | | | | | | | 3,896 |
| Income tax provision | | | | | | | 21,404 |
| Operating income | \$ 61,779 | \$ 17,415 | \$ 36,801 | \$ 8,393 | \$ 14,703 | \$ (24,070) | \$ 115,021 |
| Depreciation and amortization | 2,597 | 1,680 | 1,534 | 3,992 | 875 | 475 | 11,153 |
| Amortization of intangible assets | 1,010 | 152 | — | — | 58 | — | 1,220 |
| Adjusted EBITDA | <u>\$ 65,386</u> | <u>\$ 19,247</u> | <u>\$ 38,335</u> | <u>\$ 12,385</u> | <u>\$ 15,636</u> | <u>\$ (23,595)</u> | <u>\$ 127,394</u> |
| | | | | | | | |
| Year Ended December 31, 2023 | Corporate Finance & Restructuring | Forensic and Litigation Consulting | Economic Consulting | Technology | Strategic Communications | Unallocated Corporate | Total |
| Net income | | | | | | | \$274,892 |
| Interest income and other | | | | | | | 4,867 |
| Interest expense | | | | | | | 14,331 |
| Income tax provision | | | | | | | 83,471 |
| Operating income | \$ 216,504 | \$ 81,296 | \$ 109,818 | \$ 48,196 | \$ 47,167 | \$(125,420) | \$377,561 |
| Depreciation and amortization | 9,254 | 6,030 | 5,989 | 14,515 | 3,445 | 1,846 | 41,079 |
| Amortization of intangible assets | 5,079 | 783 | — | — | 297 | — | 6,159 |
| Adjusted EBITDA | <u>\$ 230,837</u> | <u>\$ 88,109</u> | <u>\$ 115,807</u> | <u>\$ 62,711</u> | <u>\$ 50,909</u> | <u>\$ (123,574)</u> | <u>\$ 424,799</u> |

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

| Three Months Ended December 31, 2022 (Unaudited) | Corporate Finance & Restructuring ⁽¹⁾ | Forensic and Litigation Consulting ⁽¹⁾ | Economic Consulting | Technology | Strategic Communications | Unallocated Corporate | Total |
|---|--|---|------------------------|------------------|-----------------------------|--------------------------|-------------------|
| Net income | | | | | | | \$ 47,498 |
| Interest income and other | | | | | | | 6,500 |
| Interest expense | | | | | | | 2,579 |
| Income tax provision | | | | | | | 16,079 |
| Operating income | \$ 43,008 | \$ 11,047 | \$ 26,122 | \$ 8,425 | \$ 9,360 | \$ (25,306) | \$ 72,656 |
| Depreciation and amortization | 1,734 | 1,206 | 1,183 | 3,226 | 618 | 688 | 8,655 |
| Amortization of intangible assets | 1,940 | 242 | — | — | 141 | — | 2,323 |
| Special charges | 2,444 | 4,614 | 31 | 106 | 369 | 776 | 8,340 |
| Adjusted EBITDA | <u>\$ 49,126</u> | <u>\$ 17,109</u> | <u>\$ 27,336</u> | <u>\$ 11,757</u> | <u>\$ 10,488</u> | <u>\$ (23,842)</u> | <u>\$ 91,974</u> |
| | | | | | | | |
| Year Ended December 31, 2022 | Corporate Finance & Restructuring ⁽¹⁾ | Forensic and Litigation Consulting ⁽¹⁾ | Economic Consulting | Technology | Strategic Communications | Unallocated Corporate | Total |
| Net income | | | | | | | \$235,514 |
| Interest income and other | | | | | | | (3,918) |
| Interest expense | | | | | | | 10,047 |
| Income tax provision | | | | | | | 62,235 |
| Operating income | \$ 197,424 | \$ 52,693 | \$ 98,178 | \$ 33,431 | \$ 46,982 | \$(124,830) | \$303,878 |
| Depreciation and amortization | 6,965 | 5,289 | 4,881 | 13,161 | 2,580 | 2,821 | 35,697 |
| Amortization of intangible assets | 7,976 | 977 | — | — | 689 | 1 | 9,643 |
| Special charges | 2,444 | 4,614 | 31 | 106 | 369 | 776 | 8,340 |
| Adjusted EBITDA | <u>\$ 214,809</u> | <u>\$ 63,573</u> | <u>\$ 103,090</u> | <u>\$ 46,698</u> | <u>\$ 50,620</u> | <u>\$ (121,232)</u> | <u>\$ 357,558</u> |

⁽¹⁾ Effective July 1, 2023, prior period segment information for the Corporate Finance & Restructuring and Forensic and Litigation Consulting segments has been recast in this press release to include the reclassification of the portion of the Company's health solutions practice in the Forensic and Litigation Consulting segment to the Company's business transformation practice within the Corporate Finance & Restructuring segment.

FTI CONSULTING, INC.
OPERATING RESULTS BY BUSINESS SEGMENT

| | Segment Revenues | Adjusted EBITDA | Adjusted EBITDA Margin | Utilization | Average Billable Rate | Revenue- Generating Headcount |
|---|---------------------|--------------------|------------------------------|-------------|-----------------------------|-------------------------------------|
| | (in thousands) | | | | | (at period end) |
| Three Months Ended December 31, 2023 (Unaudited) | | | | | | |
| Corporate Finance & Restructuring | \$ 365,554 | \$ 65,386 | 17.9% | 61% | \$ 503 | 2,215 |
| Forensic and Litigation Consulting | 165,469 | 19,247 | 11.6% | 56% | \$ 391 | 1,447 |
| Economic Consulting | 206,091 | 38,335 | 18.6% | 65% | \$ 586 | 1,089 |
| Technology ⁽¹⁾ | 100,933 | 12,385 | 12.3% | N/M | N/M | 628 |
| Strategic Communications ⁽¹⁾ | 86,637 | 15,636 | 18.0% | N/M | N/M | 971 |
| | <u>\$ 924,684</u> | <u>\$ 150,989</u> | <u>16.3%</u> | | | <u>6,350</u> |
| Unallocated Corporate | | (23,595) | | | | |
| Adjusted EBITDA | | <u>\$ 127,394</u> | 13.8% | | | |
| Year Ended December 31, 2023 | | | | | | |
| Corporate Finance & Restructuring | \$1,346,678 | \$ 230,837 | 17.1% | 60% | \$ 494 | 2,215 |
| Forensic and Litigation Consulting | 654,105 | 88,109 | 13.5% | 57% | \$ 386 | 1,447 |
| Economic Consulting | 771,374 | 115,807 | 15.0% | 67% | \$ 547 | 1,089 |
| Technology ⁽¹⁾ | 387,855 | 62,711 | 16.2% | N/M | N/M | 628 |
| Strategic Communications ⁽¹⁾ | 329,230 | 50,909 | 15.5% | N/M | N/M | 971 |
| | <u>\$3,489,242</u> | <u>\$ 548,373</u> | <u>15.7%</u> | | | <u>6,350</u> |
| Unallocated Corporate | | (123,574) | | | | |
| Adjusted EBITDA | | <u>\$ 424,799</u> | 12.2% | | | |
| Three Months Ended December 31, 2022 (Unaudited) | | | | | | |
| Corporate Finance & Restructuring ⁽²⁾ | \$ 305,314 | \$ 49,126 | 16.1% | 56% | \$ 478 | 2,100 |
| Forensic and Litigation Consulting ⁽²⁾ | 147,879 | 17,109 | 11.6% | 53% | \$ 370 | 1,430 |
| Economic Consulting | 172,007 | 27,336 | 15.9% | 63% | \$ 522 | 1,007 |
| Technology ⁽¹⁾ | 76,802 | 11,757 | 15.3% | N/M | N/M | 556 |
| Strategic Communications ⁽¹⁾ | 72,429 | 10,488 | 14.5% | N/M | N/M | 970 |
| | <u>\$ 774,431</u> | <u>\$ 115,816</u> | <u>15.0%</u> | | | <u>6,063</u> |
| Unallocated Corporate | | (23,842) | | | | |
| Adjusted EBITDA | | <u>\$ 91,974</u> | 11.9% | | | |
| Year Ended December 31, 2022 | | | | | | |
| Corporate Finance & Restructuring ⁽²⁾ | \$1,147,118 | \$ 214,809 | 18.7% | 60% | \$ 456 | 2,100 |
| Forensic and Litigation Consulting ⁽²⁾ | 579,933 | 63,573 | 11.0% | 54% | \$ 359 | 1,430 |
| Economic Consulting | 695,208 | 103,090 | 14.8% | 68% | \$ 508 | 1,007 |
| Technology ⁽¹⁾ | 319,983 | 46,698 | 14.6% | N/M | N/M | 556 |
| Strategic Communications ⁽¹⁾ | 286,666 | 50,620 | 17.7% | N/M | N/M | 970 |
| | <u>\$3,028,908</u> | <u>\$ 478,790</u> | <u>15.8%</u> | | | <u>6,063</u> |
| Unallocated Corporate | | (121,232) | | | | |
| Adjusted EBITDA | | <u>\$ 357,558</u> | 11.8% | | | |

N/M Not meaningful

- (1) The majority of the Technology and Strategic Communications segments' revenues are not generated based on billable hours. Accordingly, utilization and average billable rate metrics are not presented as they are not meaningful as a segment-wide metric.
- (2) Effective July 1, 2023, prior period segment information for the Corporate Finance & Restructuring and Forensic and Litigation Consulting segments has been recast in this press release to include the reclassification of the portion of the Company's health solutions practice in the Forensic and Litigation Consulting segment to the Company's business transformation practice within the Corporate Finance & Restructuring segment.

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

| | <u>Year Ended December 31,</u> | |
|---|--------------------------------|-------------------|
| | <u>2023</u> | <u>2022</u> |
| Operating activities | | |
| Net income | \$ 274,892 | \$ 235,514 |
| 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 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 | <u>224,461</u> | <u>188,794</u> |
| 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 | <u>(73,835)</u> | <u>(60,061)</u> |
| Financing activities | | |
| Borrowings under revolving line of credit | 835,000 | 165,000 |
| Repayments under revolving line of credit | (835,000) | (165,000) |
| Payments of debt issuance costs | — | (3,993) |
| Repayment of convertible notes | (315,763) | — |
| 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 | <u>(354,663)</u> | <u>(106,012)</u> |
| Effect of exchange rate changes on cash and cash equivalents | 15,571 | (25,518) |
| Net decrease in cash and cash equivalents | (188,466) | (2,797) |
| Cash and cash equivalents, beginning of period | 491,688 | 494,485 |
| Cash and cash equivalents, end of period | <u>\$ 303,222</u> | <u>\$ 491,688</u> |