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

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**FORM 8-K**

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

**Date of Report (Date of earliest event reported): March 1, 2019**

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**FTI CONSULTING, INC.**

(Exact Name of Registrant as Specified in Charter)

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**Maryland**  
(State or other jurisdiction  
of incorporation)

**001-14875**  
(Commission  
File Number)

**52-1261113**  
(IRS 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)

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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))

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.

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## **ITEM 2.02. Results of Operations and Financial Condition**

FTI Consulting, Inc. (“FTI Consulting”) uses a presentation from time to time in its discussions with investors and analysts (the “Presentation”). The Presentation includes FTI Consulting’s past and present financial results, operating data and other information. A copy of the Presentation is furnished as Exhibit 99.1 and has been posted to the FTI Consulting website at [www.fticonsulting.com](http://www.fticonsulting.com).

## **ITEM 7.01. Regulation FD Disclosure**

In the Presentation, 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 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

FTI Consulting has included the definitions of “Segment Operating Income (Loss)” 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 (Loss) is a component of the definition of Adjusted Segment EBITDA. FTI Consulting defines “Segment Operating Income (Loss)” as a segment’s share of consolidated operating income. FTI Consulting defines “Total Segment Operating Income (Loss),” 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 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 (loss) and earnings (loss) 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, gain or loss on sale of a business, and the impact of adopting the

2017 U.S. Tax Cuts and Jobs Act (the “2017 Tax Act”). 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 this non-GAAP financial measure, which excludes the effects of the remeasurement of acquisition-related contingent consideration, special charges, goodwill impairment charges, losses on early extinguishment of debt, non-cash interest expense on convertible notes, gain or loss on sale of a business, and the impact of the adoption of the 2017 Tax Act, when considered together with its GAAP financial results, provides management and investors with an additional understanding of its business operating results, including underlying trends.

FTI Consulting defines “Free Cash Flow” as net cash provided by (used in) operating activities less cash payments for purchases of property and equipment. We believe this non-GAAP financial measure, when considered together with our GAAP financial results, provides management and investors with an additional understanding of FTI Consulting’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 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 Presentation.

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 [March 2019 Investor Presentation of FTI Consulting, Inc.](#)

**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: March 4, 2019

By: /s/ CURTIS LU

Curtis Lu  
General Counsel



# FTI Consulting, Inc.

*Investor Presentation*

*March 2019*



## Cautionary Note about Forward-Looking Statements

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*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, share repurchases and other matters, business trends and other information that is not historical, including statements regarding estimates of our future financial results. When used in this presentation, words such as "estimates," "expects," "anticipates," "projects," "plans," "intends," "believes," "forecasts" and variations of such words or similar expressions are intended to identify forward-looking statements. All forward-looking statements, including, without limitation, estimates of our future financial results, are based upon our expectations at the time we make them and various assumptions. Our expectations, beliefs and projections are expressed in good faith, and we believe there is a reasonable basis for them. However, there can be no assurance that management's expectations, beliefs and estimates will be achieved, and the Company's actual results may differ materially from our expectations, beliefs and estimates. Further, preliminary results are subject to normal year-end adjustments. The Company has experienced fluctuating revenues, operating income and cash flows in prior periods and expects that this will occur from time to time in the future. Other factors that could cause such differences include declines in demand for, or changes in, the mix of services and products that we offer, the mix of the geographic locations where our clients are located or where services are performed, fluctuations in the price per share of our common stock, adverse financial, real estate or other market and general economic conditions, and other future events, which could impact each of our segments differently and could be outside of our control, the pace and timing of the consummation and integration of future acquisitions, the Company's ability to realize cost savings and efficiencies, competitive and general economic conditions, retention of staff and clients, new laws and regulations, or changes thereto, including the 2017 U.S. Tax Cuts and Jobs Act ("2017 Tax Act"), and the risks described under the heading "Part I, Item 1A Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2018, filed with the Securities and Exchange Commission ("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.*



## Investment Thesis

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Leading global business advisory firm with **strong people** and **strong positions**: corporations, law firms and governments come to us when there is a critical need

**Organic growth strategy** with an emphasis on profitable revenue growth

Committed to building a profitable business with **sustainable underlying growth**, regardless of economic conditions

**Willingness to invest EBITDA** in key growth areas where we have a right to win

**Healthy balance sheet** and **strong cash flows** with a commitment to return capital to our stockholders

Believe we are on a path towards **sustained double-digit year-over-year Adjusted EPS growth over time**



## FTI Consulting: Experts with Impact

<b>FCN</b> Publicly Traded	<b>\$2.8BLN</b> Equity Market Capitalization <sup>1</sup>	<b>1982</b> Year Founded	<b>4,700+</b> Total Employees Worldwide
<b>480+</b> Senior Managing Directors	<b>76</b> Offices in 76 Cities Around the Globe	<b>9</b> 9 Specialized Industry Practice Groups	<b>2 Nobel Laureates</b>
<b>8/10</b> Advisor to 8 of the World's Top 10 Bank Holding Companies	<b>96/100</b> Advisor to 96 of the World's Top 100 Law Firms	<b>49/100</b> 49 of Global 100 Corporations are Clients	

All statistics above are as of December 31, 2018.

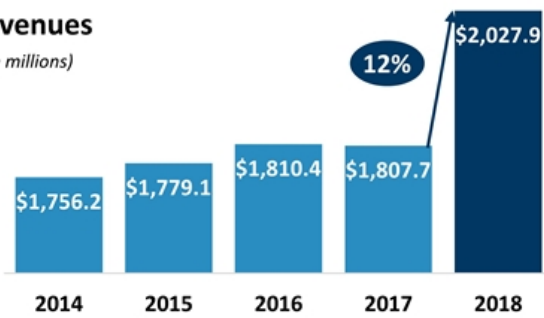
<sup>1</sup>Number of total shares outstanding as of February 19, 2019, times the closing share price as of February 26, 2019.



# Recent Performance Builds on Success Against Transformational Agenda

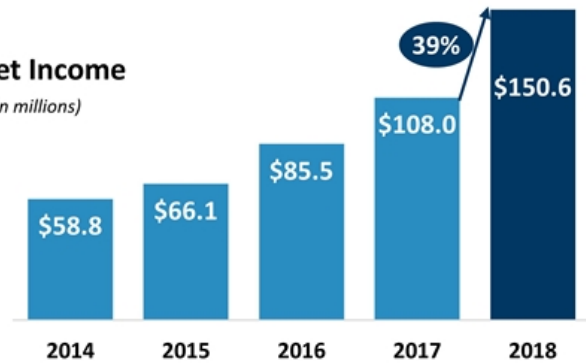
## Revenues

(\$ in millions)



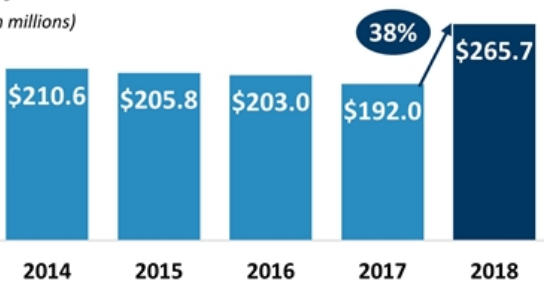
## Net Income

(\$ in millions)

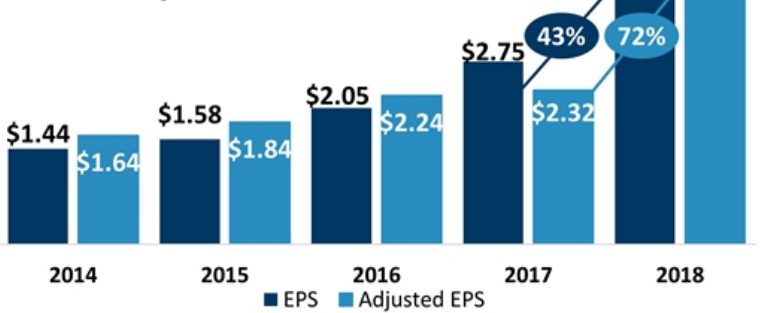


## Adjusted EBITDA <sup>(1)</sup>

(\$ in millions)



## EPS and Adjusted EPS <sup>(2)</sup>



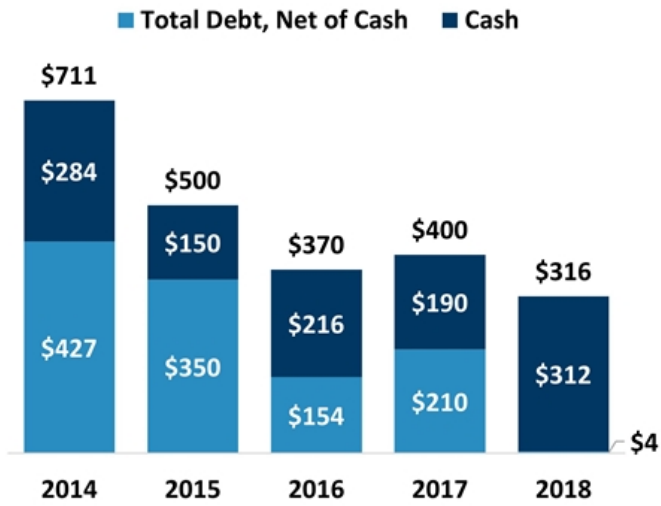
<sup>1</sup>See accompanying financial tables and "End Notes: FTI Consulting Non-GAAP Financial Measures" for the definition and reconciliations of Adjusted EBITDA, which is a non-GAAP financial measure, to the most directly comparable GAAP financial measure.

<sup>2</sup>See accompanying financial tables and "End Notes: FTI Consulting Non-GAAP Financial Measures" for the definition and reconciliations of Adjusted Earnings Per Diluted Share ("Adjusted EPS"), which is a non-GAAP financial measure, to the most directly comparable GAAP financial measure.  
Charts not to scale.

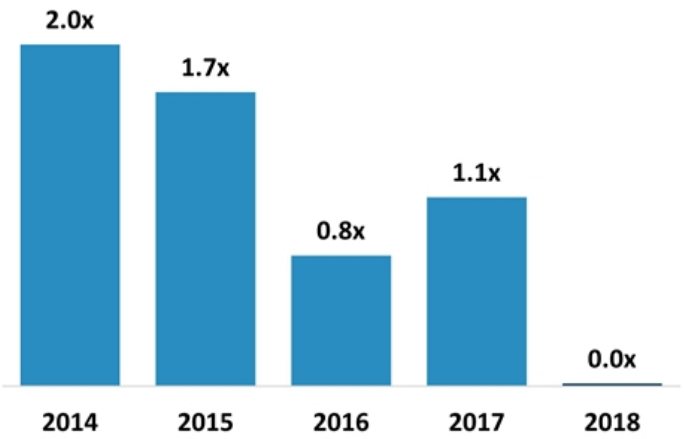
# Robust Cash Flows and Strong Balance Sheet

## Debt

(\$ in millions)



## Total Debt, Net of Cash/Adjusted EBITDA <sup>(1)</sup>



We are Recognized as the World's Leading Experts



2018  
America's Best  
Management Consulting  
Firms



2018  
Consulting Firm of the  
Year



2018  
#1 Crisis Management  
Firm



2018  
Global Turnaround  
Consulting Firm of the Year



2018  
Forensic Accounting  
Firm of the Year



2018  
Compass Lexecon #1 on  
Expert Witness Firms'  
Power Index



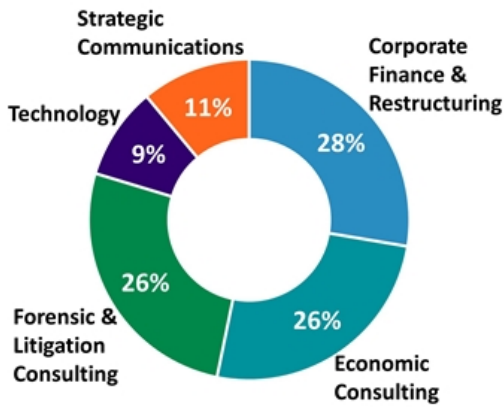
2018  
Top 10 Best Consulting  
Firms to Work For



2018  
#1 Demonstrative Evidence  
Provider

# Our Balanced and Diversified Portfolio

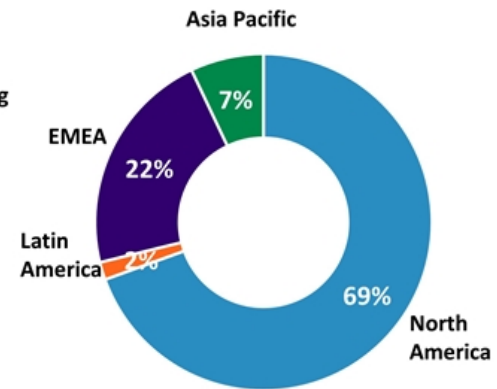
**2018 Revenues**  
by Segment



**2018 Total Adjusted Segment EBITDA <sup>(1)</sup>**  
by Segment



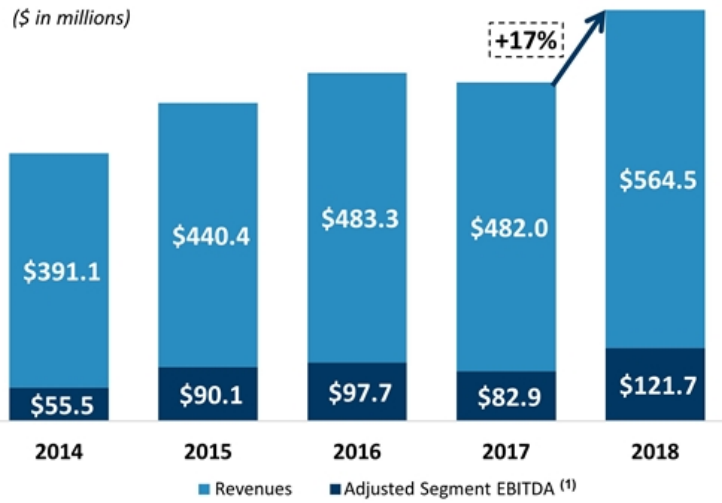
**2018 Revenues**  
by Region



FTI Consulting is organized into five segments, each of which is a global leader in its own right for one simple reason: our commitment to having a tangible, positive impact on how our clients confront and manage change and risk.

# Corporate Finance & Restructuring

(\$ in millions)

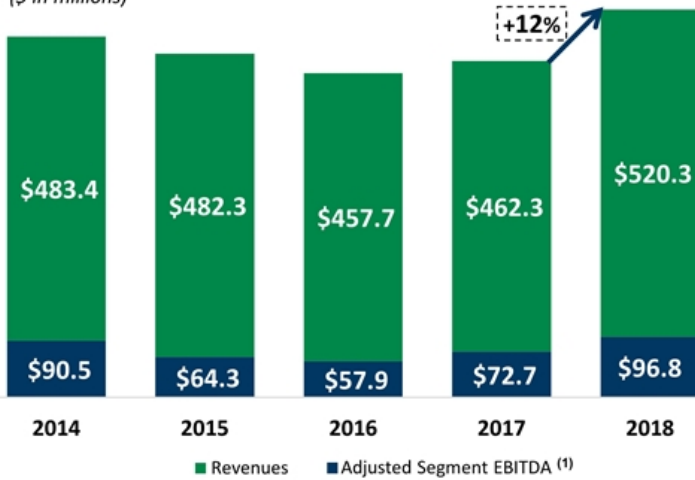


## Growth Opportunities

- Enhance Business Transformation and Transaction capabilities
- Grow Restructuring globally
- Deeper penetration of key industries, e.g., Retail, Healthcare, TMT, Automotive and Energy

# Forensic & Litigation Consulting

(\$ in millions)



## Growth Opportunities

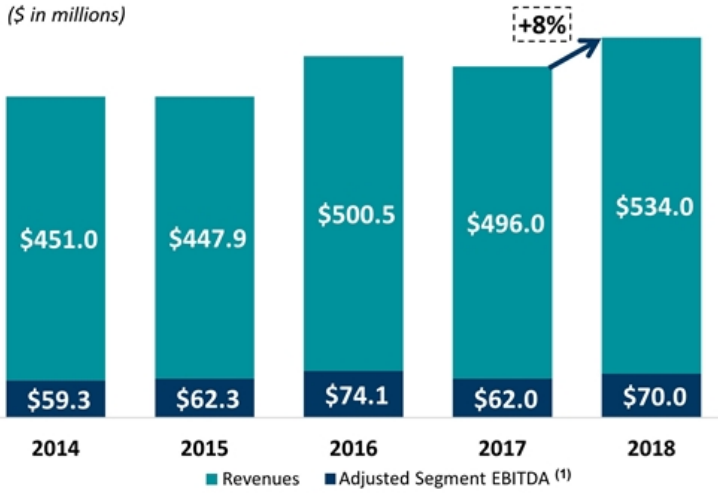
- Enhance core offerings, including Data & Analytics, Cybersecurity and Construction Solutions capabilities
- Grow overseas businesses, e.g., London and Hong Kong
- Strong utilization in Disputes, Investigations and Health Solutions practices



<sup>1</sup>See accompanying "End Notes: FTI Consulting Non-GAAP Financial Measures" for the definition of Adjusted Segment EBITDA, which is a GAAP financial measure.

# Economic Consulting

(\$ in millions)

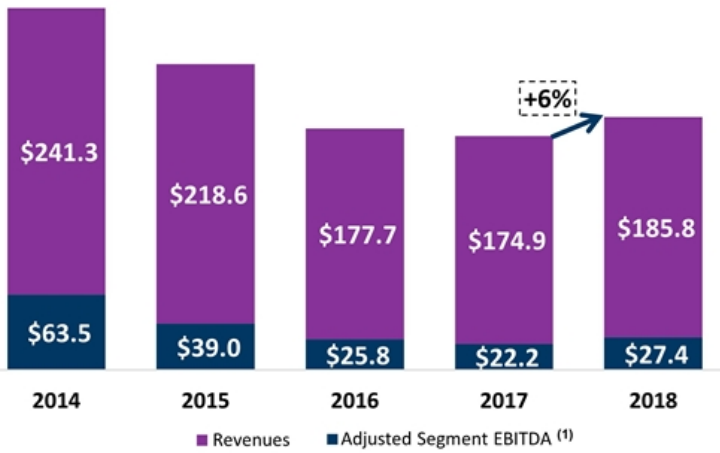


## Growth Opportunities

- Maintain leading position of Compass Lexecon in the U.S.
- Grow overseas businesses, e.g., EMEA, Australia and Asia
- Develop adjacent businesses in the U.S., e.g., International Arbitration, Energy, Healthcare, TMT and Financial Services

# Technology

(\$ in millions)



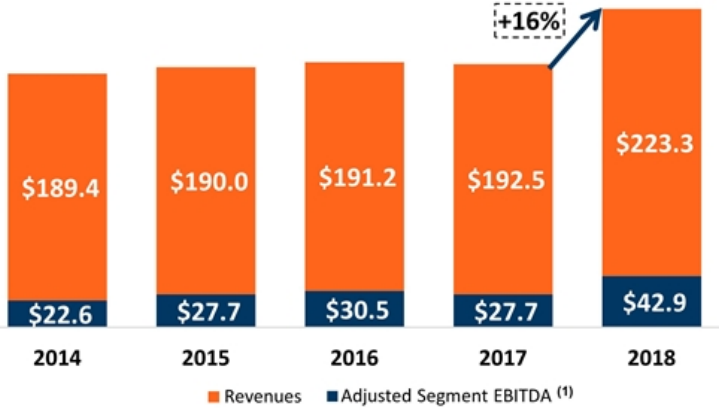
## Growth Opportunities

- Expand addressable market through new distribution channels for Consulting & Services
- Invest in new and adjacent services, e.g., Information Governance, Privacy & Security Services and Contract Intelligence
- Grow overseas businesses, e.g., Europe, Middle East and India



# Strategic Communications

(\$ in millions)



## Growth Opportunities

- Further develop large, complex client relationships
- Enhance market share in highly regulated industries, e.g., Public Affairs, Financial Services, Energy, Healthcare, Industrials and TMT
- Leverage FTI Consulting's services and platform to enhance client results



## Collectively, We are Well-Positioned to Accelerate Growth

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The **strength of our people, their relationships and our franchise** is increasingly making FTI Consulting a place where the best people want to be

Our bedrock core competencies in disputes, investigations and crises are **finding even more relevance as we continue to build our adjacent practices**

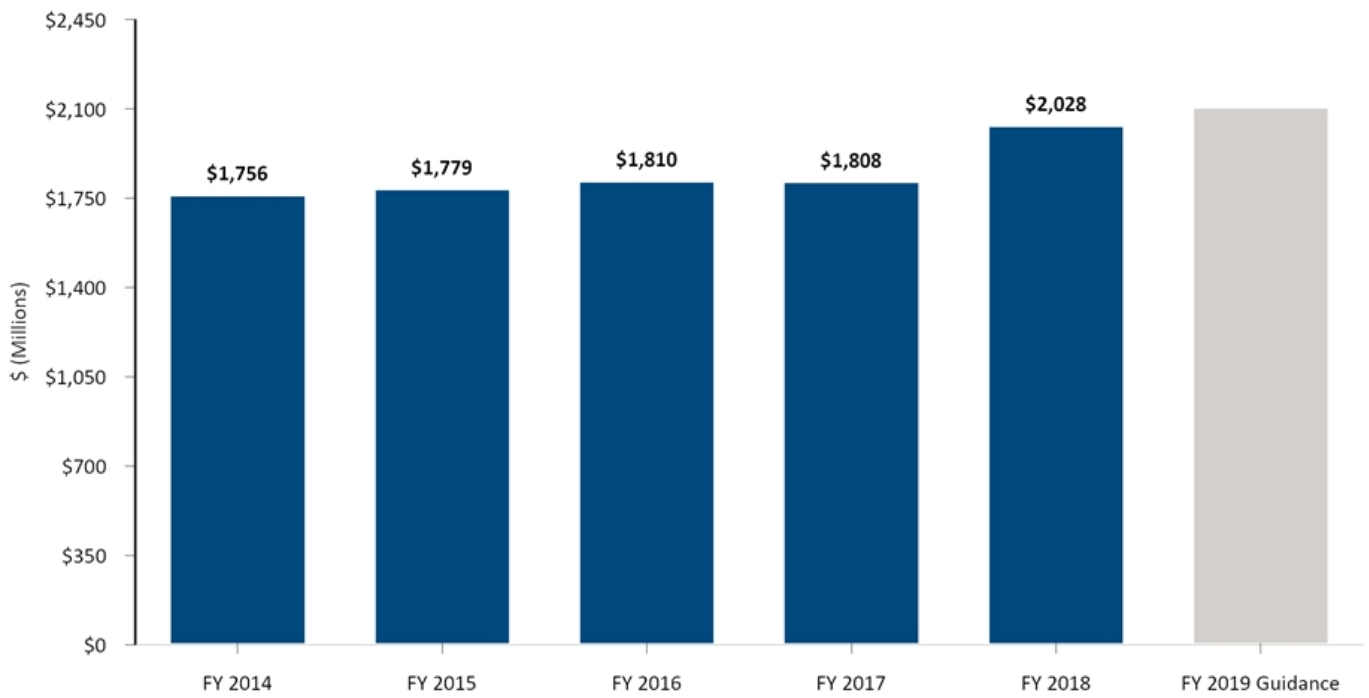
Our performance has been achieved **without a boom in restructuring**

We delivered record 2018 results from **almost exclusively organic growth with improved utilization**

The **balance sheet of FTI Consulting has never been stronger** – we have enormous flexibility to use our cash to further enhance our enterprise

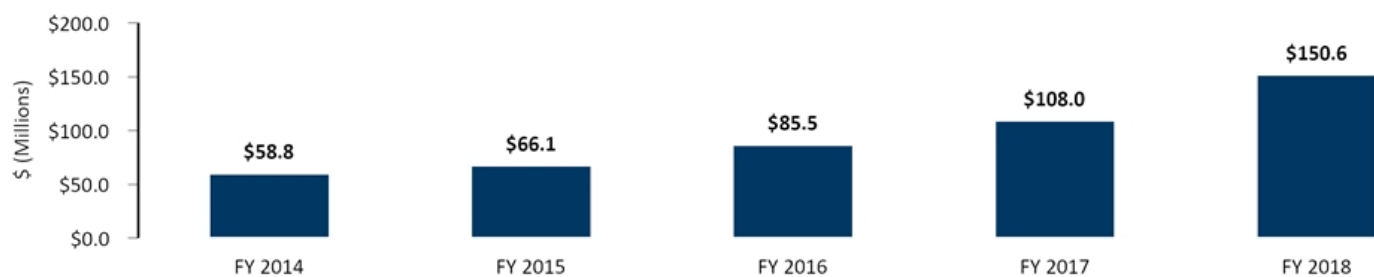
# Financial Supplements

## FY 2014 – FY 2019 Guidance: Revenues

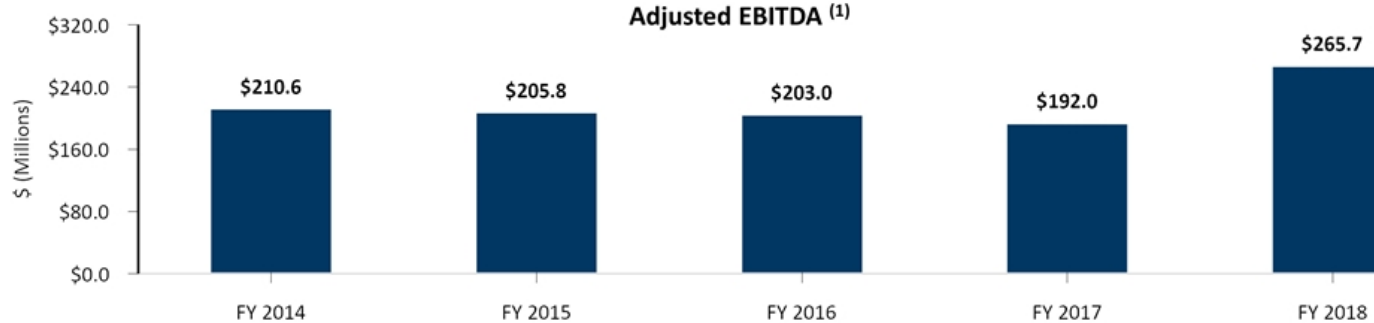


## FY 2014 – FY 2018: Net Income and Adjusted EBITDA

### Net Income



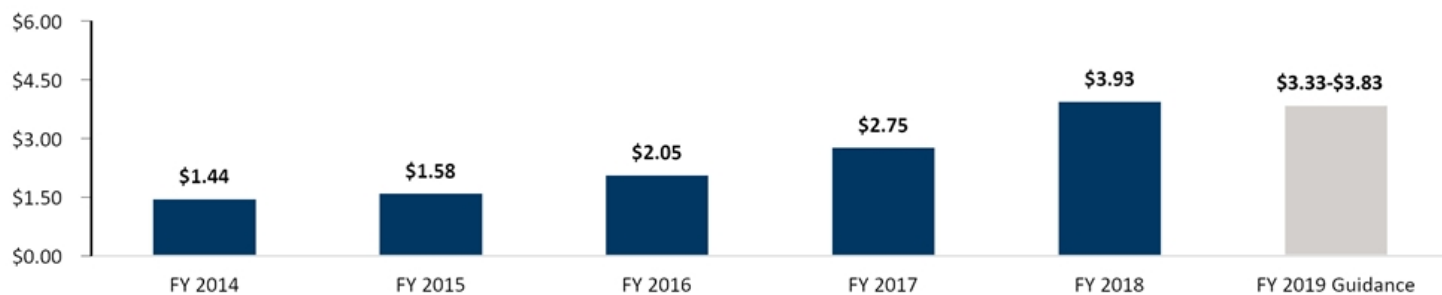
### Adjusted EBITDA <sup>(1)</sup>



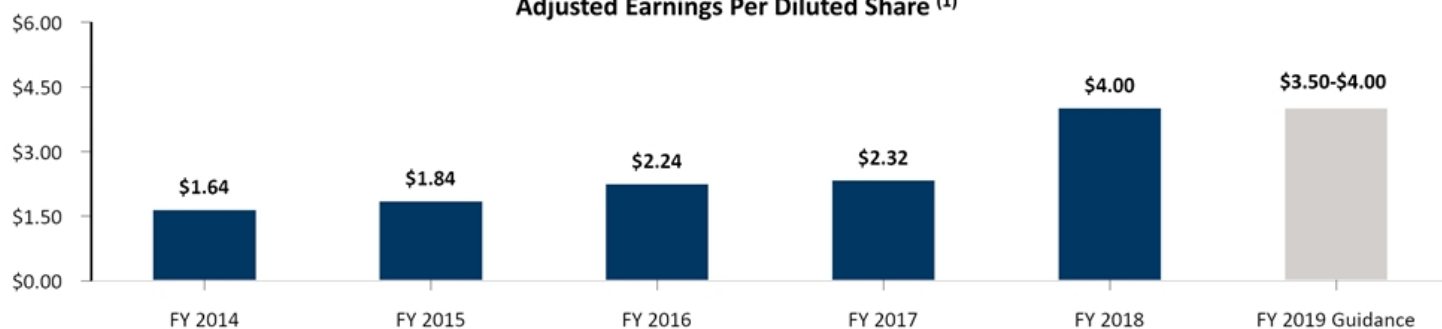
<sup>1</sup>See accompanying financial tables and "End Notes: FTI Consulting Non-GAAP Financial Measures" for the definition and reconciliations of Adjusted EBITDA, which is a non-GAAP financial measure.

## FY 2014 – FY 2019 Guidance: Earnings Per Diluted Share and Adjusted Earnings Per Diluted Share

**Earnings Per Diluted Share**



**Adjusted Earnings Per Diluted Share <sup>(1)</sup>**



<sup>1</sup>See accompanying financial tables and "End Notes: FTI Consulting Non-GAAP Financial Measures" for the definition and reconciliations of Adjusted Earnings Per Diluted Share, which is a non-GAAP financial measure.

## Full Year 2018, 2017 and 2016: Select Cash Position and Capital Allocation

All numbers in thousands, except for DSOs

	FY 2018	FY 2017	FY 2016
<b>Cash and cash equivalents</b>	\$ 312,069	\$ 189,961	\$ 216,158
<b>Accounts receivable, net</b>	\$ 554,608	\$ 522,878	\$ 474,897
<b>Days sales outstanding ("DSO")</b>	93	91	91
<b>Net cash provided by operating activities</b>	\$ 230,672	\$ 147,625	\$ 233,488
<b>Purchases of property and equipment</b>	\$ (32,270)	\$ (32,004)	\$ (28,935)
<b>Purchase and retirement of common stock</b>	\$ (55,738)	\$ (168,094)	\$ (21,489)
<b>Total Debt <sup>(1)</sup></b>	\$ 316,250	\$ 400,000	\$ 370,000
<b>Free Cash Flow <sup>(2)</sup></b>	\$ 198,402	\$ 115,621	\$ 204,553



<sup>1</sup>Total debt excludes the impact of unamortized deferred debt issue costs of \$6.7 million, \$3.7 million and \$4.5 million as of December 31, 2018, December 31, 2017 and December 31, 2016, respectively, and excludes the impact of the unamortized deferred debt discount of \$44.0 million for the year ended December 31, 2018 related to our 2.0% convertible senior notes due 2023.

<sup>2</sup>See accompanying financial tables and "End Notes: FTI Consulting Non-GAAP Financial Measures" for the definition and reconciliations of Free Cash Flow, which is a non-GAAP financial measure, to the most directly comparable GAAP financial measure.

Financial Tables  
Reconciliations of Non-GAAP Financial Measures



## Reconciliation of Net Income to Adjusted EBITDA

(in thousands)	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014
<b>Net Income</b>	<b>\$ 150,611</b>	<b>\$ 107,962</b>	<b>\$ 85,520</b>	<b>\$ 66,053</b>	<b>\$ 58,807</b>
Income tax provision (benefit)	57,181	(20,857)	42,283	39,333	42,604
Interest income and other	(4,977)	(3,752)	(10,466)	(3,232)	(4,670)
Interest expense	27,149	25,358	24,819	42,768	50,685
Gain on sale of business	(13,031)	—	—	—	—
Loss on early extinguishment of debt	9,072	—	—	19,589	—
Depreciation and amortization	31,536	31,177	38,700	31,392	33,989
Amortization of other intangible assets	8,162	10,563	10,306	11,726	15,521
Special charges	—	40,885	10,445	—	16,339
Remeasurement of acquisition-related contingent consideration	—	702	1,403	(1,867)	(2,723)
<b>Adjusted EBITDA<sup>1</sup></b>	<b>\$ 265,703</b>	<b>\$ 192,038</b>	<b>\$ 203,010</b>	<b>\$ 205,762</b>	<b>\$ 210,552</b>

# Reconciliations of Net Income to Adjusted Net Income and Earnings Per Diluted Share to Adjusted Earnings Per Diluted Share

(in thousands, except for per share data)

	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014
<b>Net income</b>	<b>\$150,611</b>	<b>\$107,962</b>	<b>\$85,520</b>	<b>\$66,053</b>	<b>\$58,807</b>
Add back:					
Special charges	—	40,885	10,445	—	16,339
Tax impact of special charges	—	(13,570)	(3,595)	—	(6,702)
Loss on early extinguishment of debt	9,072	—	—	19,589	—
Tax impact of loss on early extinguishment of debt	(2,359)	—	—	(7,708)	—
Remeasurement of acquisition-related contingent consideration	—	702	1,403	(1,867)	(2,722)
Tax impact of remeasurement of acquisition-related contingent consideration	—	(269)	(546)	747	1,004
Non-cash interest expense on convertible notes	3,019	—	—	—	—
Tax impact of non-cash interest expense on convertible notes	(775)	—	—	—	—
Gain on sale of business	(13,031)	—	—	—	—
Tax impact of gain on sale of business	6,798	—	—	—	—
Impact of 2017 Tax Act	—	(44,870)	—	—	—
<b>Adjusted Net Income<sup>1</sup></b>	<b>\$153,335</b>	<b>\$90,840</b>	<b>\$93,227</b>	<b>\$76,814</b>	<b>\$66,726</b>
<b>Earnings per common share – diluted</b>	<b>\$3.93</b>	<b>\$2.75</b>	<b>\$2.05</b>	<b>\$1.58</b>	<b>\$1.44</b>
Add back:					
Special charges	—	1.04	0.25	—	0.40
Tax impact of special charges	—	(0.34)	(0.08)	—	(0.16)
Loss on early extinguishment of debt	0.23	—	—	0.47	—
Tax impact of loss on early extinguishment of debt	(0.06)	—	—	(0.19)	—
Remeasurement of acquisition-related contingent consideration	—	0.02	0.03	(0.04)	(0.06)
Tax impact of remeasurement of acquisition-related contingent consideration	—	(0.01)	(0.01)	0.02	0.02
Non-cash interest expense on convertible notes	0.08	—	—	—	—
Tax impact of non-cash interest expense on convertible notes	(0.02)	—	—	—	—
Gain on sale of business	(0.34)	—	—	—	—
Tax impact of gain on sale of business	0.18	—	—	—	—
Impact of 2017 Tax Act	—	(1.14)	—	—	—
<b>Adjusted earnings per common share – diluted<sup>1</sup></b>	<b>\$4.00</b>	<b>\$2.32</b>	<b>\$2.24</b>	<b>\$1.84</b>	<b>\$1.64</b>
Weighted average number of common shares outstanding – diluted	38,318	39,192	41,709	41,729	40,729

## Reconciliation of Net Income to Total Adjusted Segment EBITDA

(in thousands)	FY 2018
<b>Net Income</b>	\$150,611
Add back:	
Income tax provision	57,181
Interest income and other	(4,977)
Interest expense	27,149
Gain on sale of business	(13,031)
Loss on early extinguishment of debt	9,072
Unallocated corporate expense	96,595
Segment depreciation expense	27,979
Amortization of intangible assets	8,162
<b>Total Adjusted Segment EBITDA<sup>1</sup></b>	<b>\$358,741</b>

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

(in thousands)	FY 2018	FY 2017	FY 2016
<b>Net cash provided by operating activities</b>	<b>\$230,672</b>	<b>\$147,625</b>	<b>\$233,488</b>
Purchases of property and equipment	(32,270)	(32,004)	(28,935)
<b>Free Cash Flow<sup>1</sup></b>	<b>\$198,402</b>	<b>\$115,621</b>	<b>\$204,553</b>

## Reconciliation of Full Year 2019 EPS Guidance to Adjusted EPS Guidance

	Year Ended December 31, 2019	
	Low	High
Guidance on estimated earnings per common share - diluted (GAAP) <sup>1</sup>	\$3.33	\$3.83
Non-cash interest expense on convertible notes, net of tax	0.17	0.17
Guidance on estimated adjusted earnings per common share – diluted (Non-GAAP) <sup>1</sup>	\$3.50	\$4.00

## End Notes

# FTI Consulting Non-GAAP Financial Measures

In this presentation, 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 ("GAAP"). Certain of these measures are considered "non-GAAP financial measures" under the Securities and Exchange Commission ("SEC") rules. Specifically, we have referred to the following non-GAAP financial measures in this presentation:

- 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 below in order to more fully define the components of certain non-GAAP financial measures in this presentation. We define Segment Operating Income, a GAAP financial measure, 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, a GAAP financial measure, as a segment's share of consolidated operating income before depreciation, amortization of intangible assets, remeasurement of acquisition-related contingent consideration, special charges and goodwill impairment charges. We use Adjusted Segment EBITDA as a basis to internally evaluate the financial performance of our segments because we believe it reflects current core operating performance and provides an indicator of the segment's ability to generate cash. We define Adjusted EBITDA Margin as Adjusted EBITDA as a percentage of total revenues.

We define Total Adjusted Segment EBITDA, which is a non-GAAP financial measure, as the total of Adjusted Segment EBITDA for all segments, which excludes unallocated corporate expenses. We define Adjusted EBITDA, which is a non-GAAP financial measure, as consolidated net income before income tax provision, other non-operating income (expense), depreciation, amortization of intangible assets, remeasurement of acquisition-related contingent consideration, special charges, goodwill impairment charges, 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 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 Net Income and Adjusted Earnings per Diluted Share ("Adjusted EPS"), which are non-GAAP financial measures, as net income and earnings per diluted share ("EPS"), respectively, excluding the impact of remeasurement of acquisition-related contingent consideration, special charges, goodwill impairment charges, losses on early extinguishment of debt, non-cash interest expense on convertible notes, gain or loss on sale of a business and the impact of adopting the 2017 U.S. Tax Cuts and Jobs Act (the "2017 Tax Act"). 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, 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.

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