
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): December 4, 2018

FTI CONSULTING, INC.

(Exact Name of Registrant as Specified in Charter)

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)

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.

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.

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 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 adjustment related to 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 adjustment related to 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 [December 2018 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: December 4, 2018

By: /s/ CURTIS LU

Curtis Lu
General Counsel



FTI Consulting, Inc.

Bank of America Merrill Lynch 2018 Leveraged Finance Conference

December 4, 2018



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, 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 “Item 1A, Risk Factors” in the Company’s annual report on Form 10-K for the year ended December 31, 2017 filed with the Securities and Exchange Commission (“SEC”), including the risks set forth under “Risks Related to Our Reportable Segments” and “Risks Related to Our Operations,” the risks described under the heading “Part II, Item 1A, Risk Factors” in the Company’s quarterly report on Form 10-Q for the quarter ended September 30, 2018 filed with the SEC, 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.



FTI Consulting: Experts with Impact

FCN Publicly Traded	\$2.8BLN Equity Market Capitalization ¹	1982 Year Founded	4,600+ Total Employees Worldwide
490+ Senior Managing Directors	76 Offices in 76 Cities Around the Globe	9 9 Specialized Industry Practice Groups	2 Nobel Laureates
8/10 Advisor to 8 of the World's Top 10 Bank Holding Companies	96/100 Advisor to 96 of the World's Top 100 Law Firms	53/100 53 of Global 100 Corporations are Clients	



Investment Thesis

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

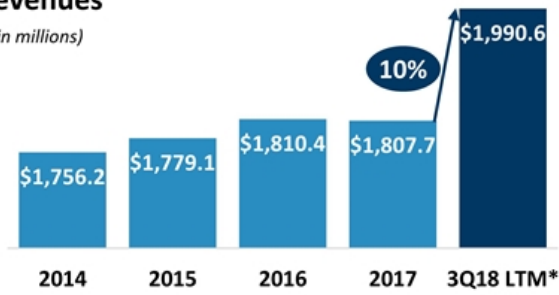
Healthy balance sheet and **strong cash flows** with a commitment to return capital to our stockholders

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

Recent Performance Builds on Success Against Transformational Agenda

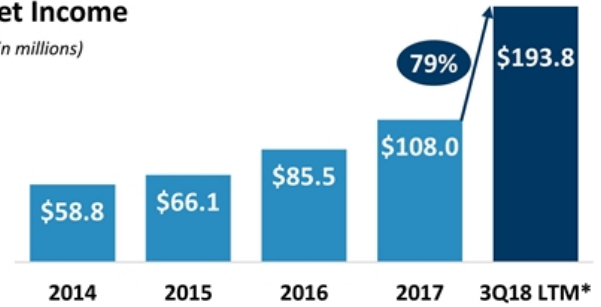
Revenues

(\$ in millions)



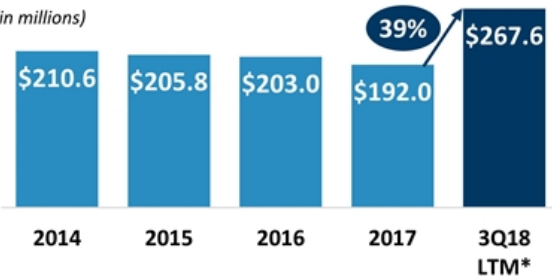
Net Income

(\$ in millions)

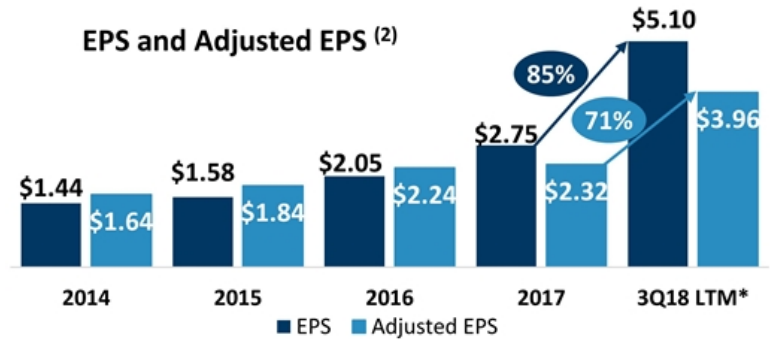


Adjusted EBITDA ⁽¹⁾

(\$ in millions)



EPS and Adjusted EPS ⁽²⁾



¹See 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.

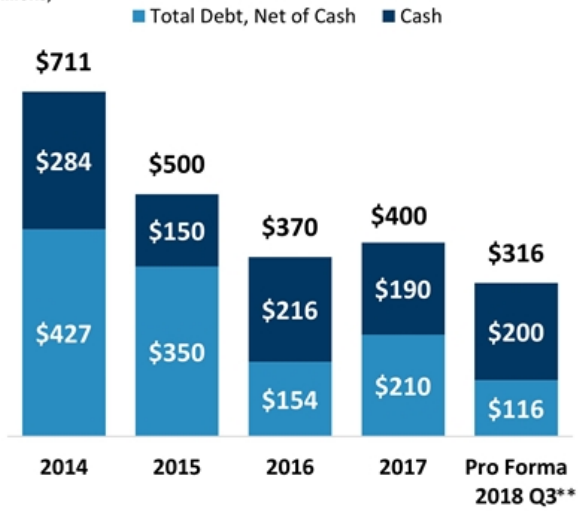
²See accompanying financial tables and "End Notes: FTI Consulting Non-GAAP Financial Measures" for the definition and reconciliations of Adjusted Earnings Per Diluted Share ("Adjusted EPS"), which is a non-GAAP financial measure, to the most directly comparable GAAP financial measure.

*3Q18 LTM Revenues, Net Income, Adjusted EBITDA, EPS and Adjusted EPS calculated as the sum of the last four quarters. Charts not to scale.

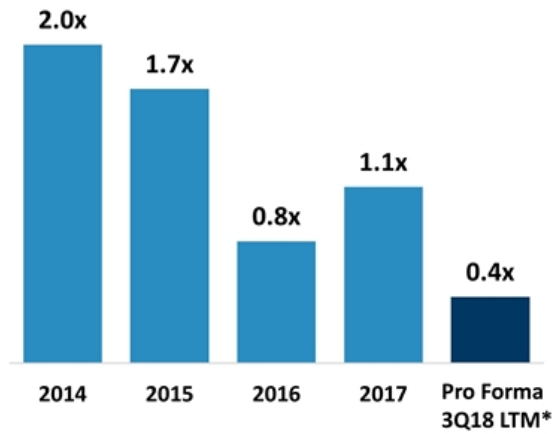
Robust Cash Flows and Strong Balance Sheet

Debt

(\$ in millions)



Total Debt, Net of Cash/Adjusted EBITDA ⁽¹⁾



¹See 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.

*Pro Forma 3Q18 LTM Total Debt, Net of Cash/Adjusted EBITDA calculated as Pro Forma Q3 Total Debt, Net of Cash divided by the sum of the last four quarters Adjusted EBITDA. Pro Forma Total Debt gives effect to the redemption of 6.0% Senior Notes due 2022, which occurred on November 15, 2018, as if it occurred at the end of 3Q18.

**Pro Forma 2018 Q3 Cash and Total Debt, Net of Cash gives effect to the redemption of 6.0% Senior Notes due 2022, which occurred on November 15, 2018, as if it occurred at the end of 3Q18.

Charts not to scale.

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

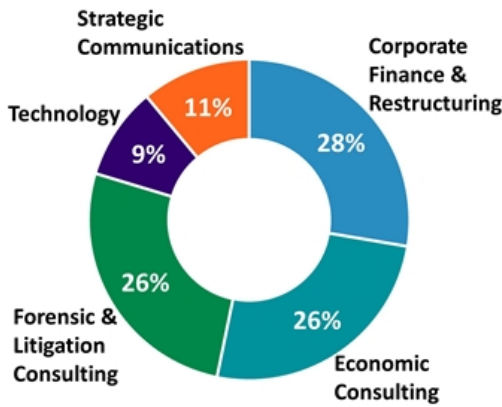


2018

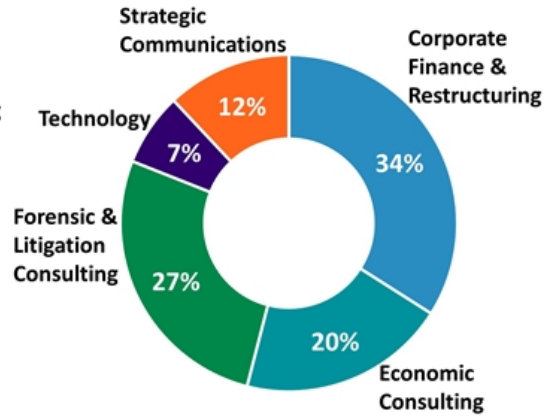
#1 Demonstrative Evidence
Provider

Our Balanced and Diversified Portfolio

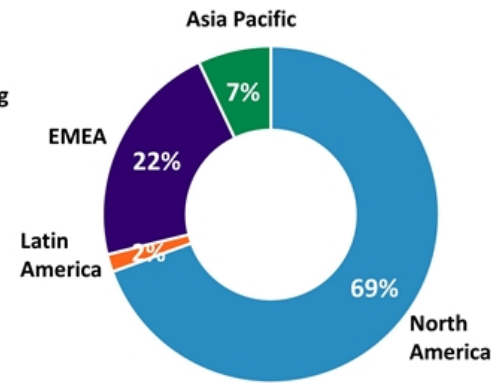
3Q18 LTM Revenues
by Segment



3Q18 LTM Total Adjusted Segment EBITDA ⁽¹⁾
by Segment



3Q18 LTM Revenues
by Region



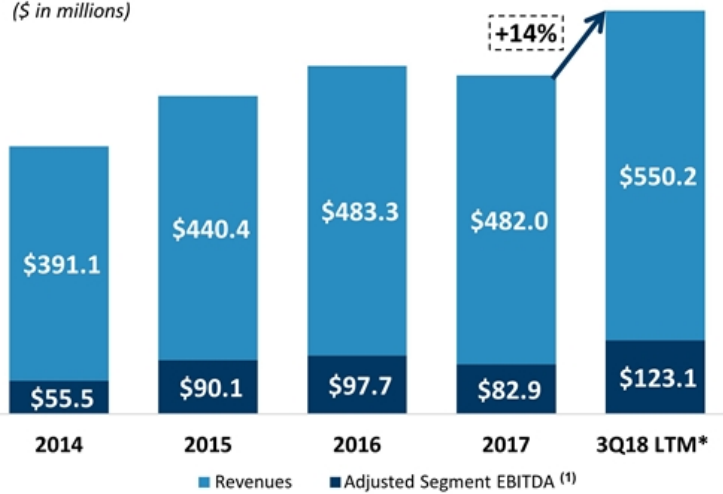
FTI Consulting is organized into five segments, each of which is a global leader in its own right for one simple reason: our commitment to having a tangible, positive impact on how our clients confront and manage change and risk.



¹See accompanying financial tables and "End Notes: FTI Consulting Non-GAAP Financial Measures" for the definition and reconciliation of Total Adjusted Segment EBITDA, which is a non-GAAP financial measure, to the most directly comparable GAAP financial measure.
* 3Q18 LTM Revenues by Segment and Region, and Total Adjusted Segment EBITDA are calculated as the sum of the last four quarters.

Corporate Finance & Restructuring

(\$ in millions)



Growth Opportunities

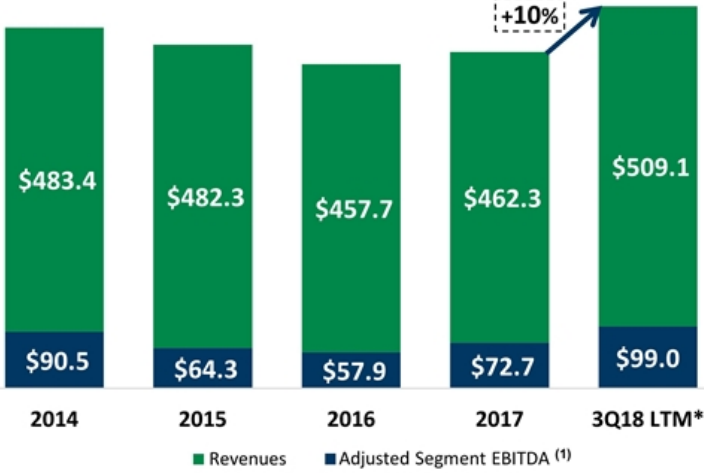
- Enhance Business Transformation and Transaction capabilities
- Grow Restructuring globally
- Deeper penetration of key industries, e.g., Retail, Healthcare, TMT, Automotive and Energy



¹See accompanying "End Notes: FTI Consulting Non-GAAP Financial Measures" for the definition of Adjusted Segment EBITDA, which is a GAAP financial measure.
 *3Q18 LTM Revenues and Adjusted Segment EBITDA are calculated as the sum of the last four quarters.

Forensic & Litigation Consulting

(\$ in millions)



Growth Opportunities

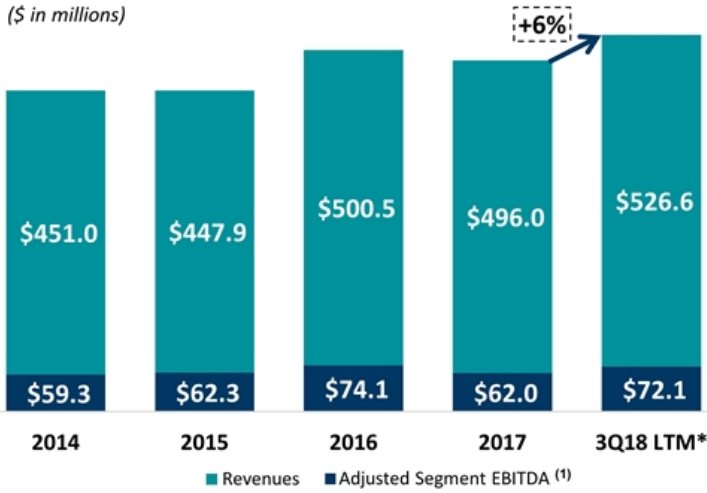
- Enhance core offerings, including Data & Analytics and Construction Solutions capabilities
- Grow overseas businesses, e.g., London and Hong Kong
- Invest ahead of emerging trends, e.g., Cybersecurity



¹See accompanying "End Notes: FTI Consulting Non-GAAP Financial Measures" for the definition of Adjusted Segment EBITDA, which is a GAAP financial measure.
^{*}3Q18 LTM Revenues and Adjusted Segment EBITDA are calculated as the sum of the last four quarters.

Economic Consulting

(\$ in millions)



Growth Opportunities

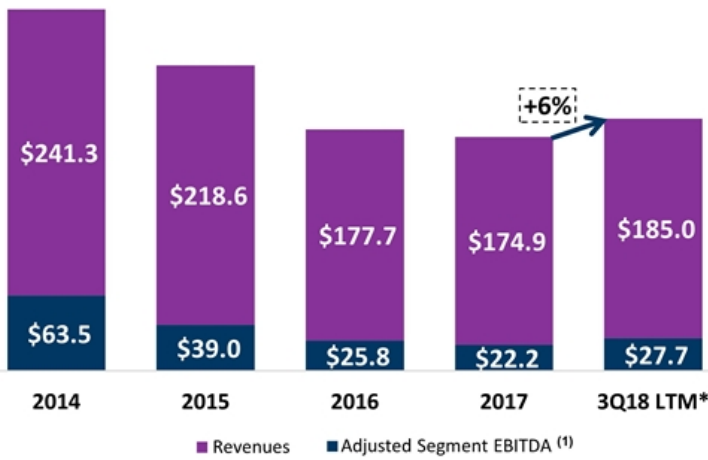
- Maintain leading position of Compass Lexecon
- Grow overseas businesses, e.g., EMEA, Australia and Asia
- Develop adjacent businesses in the U.S., e.g., International Arbitration, Energy, Healthcare, TMT and Financial Services



¹See accompanying "End Notes: FTI Consulting Non-GAAP Financial Measures" for the definition of Adjusted Segment EBITDA, which is a GAAP financial measure.
^{*}3Q18 LTM Revenues and Adjusted Segment EBITDA are calculated as the sum of the last four quarters.

Technology

(\$ in millions)



Growth Opportunities

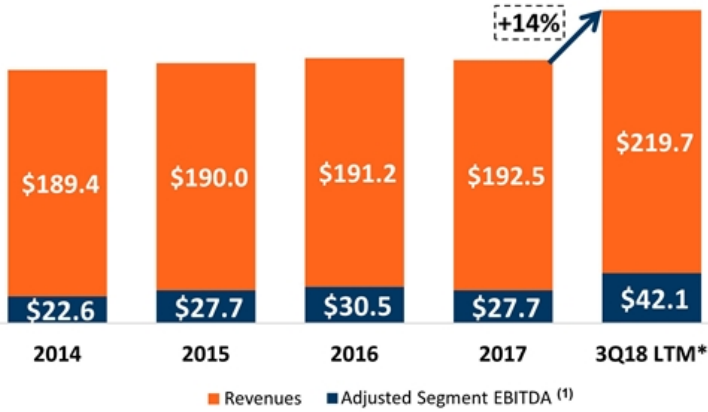
- Expand addressable market through new distribution channels for Consulting & Services
- Invest in new and adjacent services, e.g., Information Governance, Privacy & Security Services and Contract Intelligence
- Grow overseas businesses, e.g., Europe, Middle East and India



¹See accompanying "End Notes: FTI Consulting Non-GAAP Financial Measures" for the definition of Adjusted Segment EBITDA, which is a GAAP financial measure.
 *3Q18 LTM Revenues and Adjusted Segment EBITDA are calculated as the sum of the last four quarters.

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



¹See accompanying "End Notes: FTI Consulting Non-GAAP Financial Measures" for the definition of Adjusted Segment EBITDA, which is a GAAP financial measure.
 *3Q18 LTM Revenues and Adjusted Segment EBITDA are calculated as the sum of the last four quarters.



Collectively, We are Well-Positioned to Accelerate Growth

The **strength of our people, their relationships and our franchise** is increasingly making FTI 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**

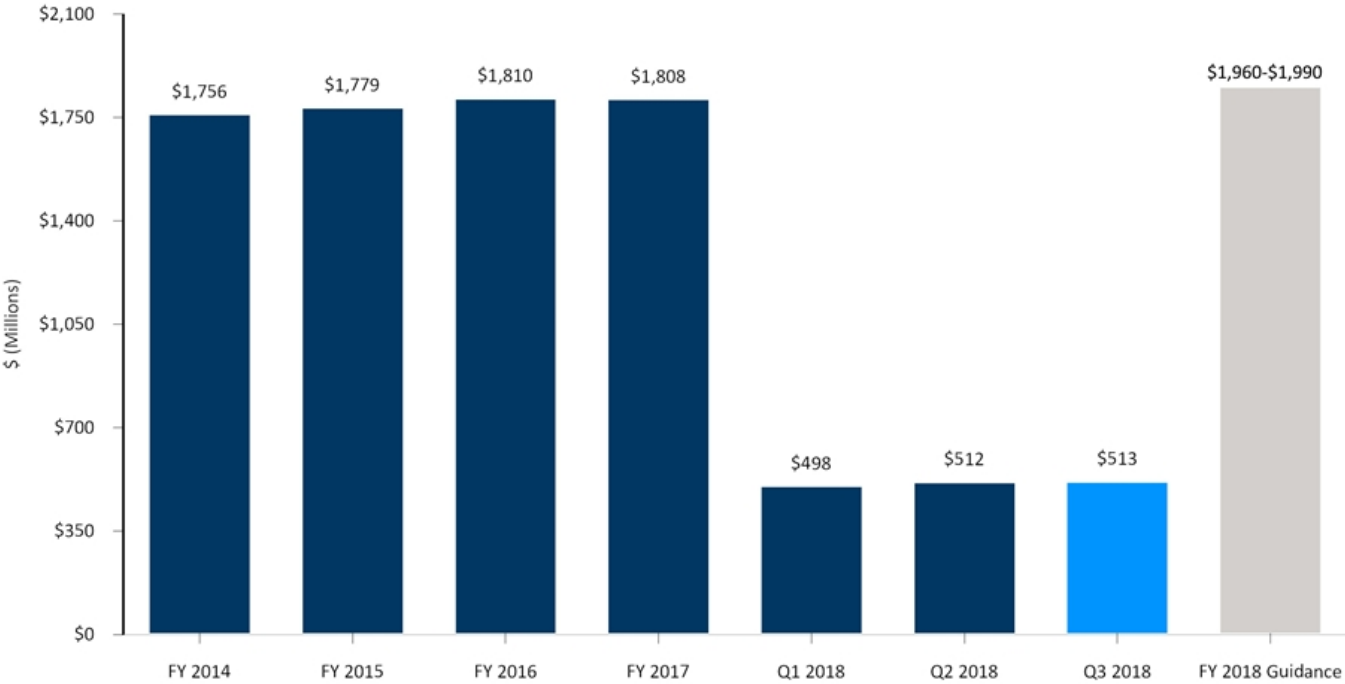
We have delivered record 2018 results from **almost exclusively organic growth with improved utilization**

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

Q&A

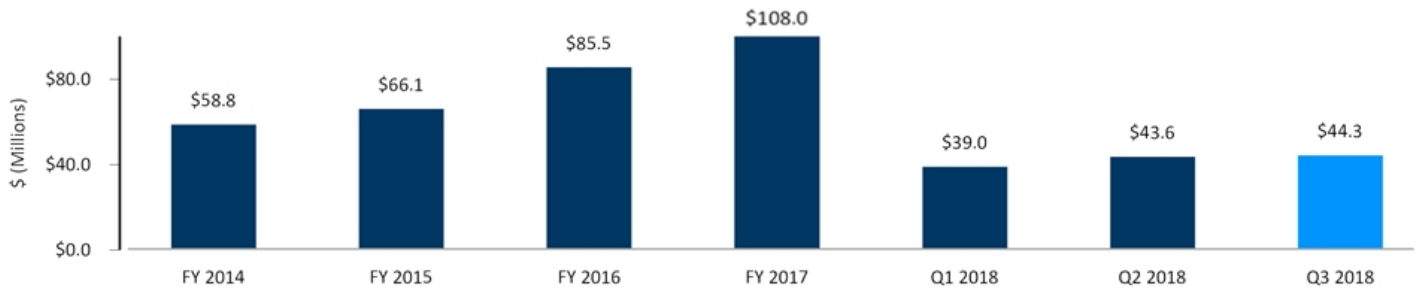
Financial Supplements

FY 2014 – Q3 2018 and FY 2018 Guidance: Revenues

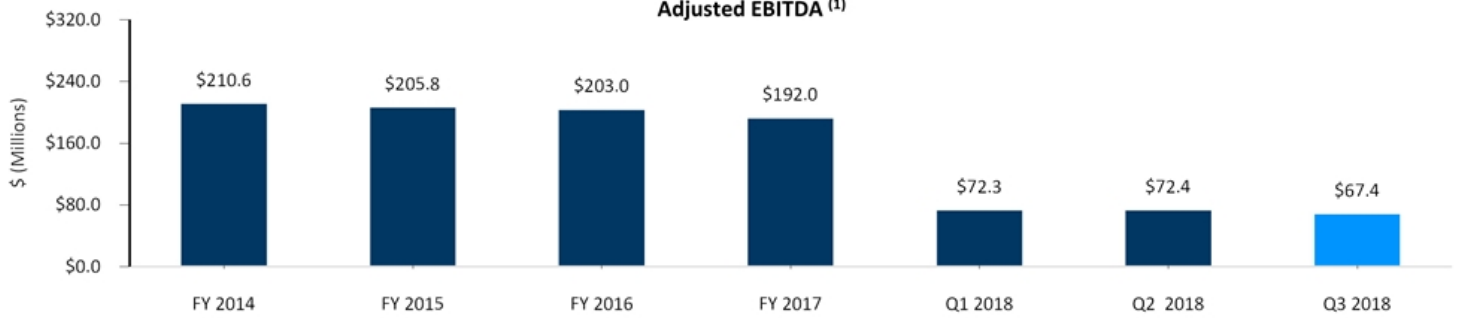


FY 2014 – Q3 2018: Net Income and Adjusted EBITDA

Net Income



Adjusted EBITDA ⁽¹⁾

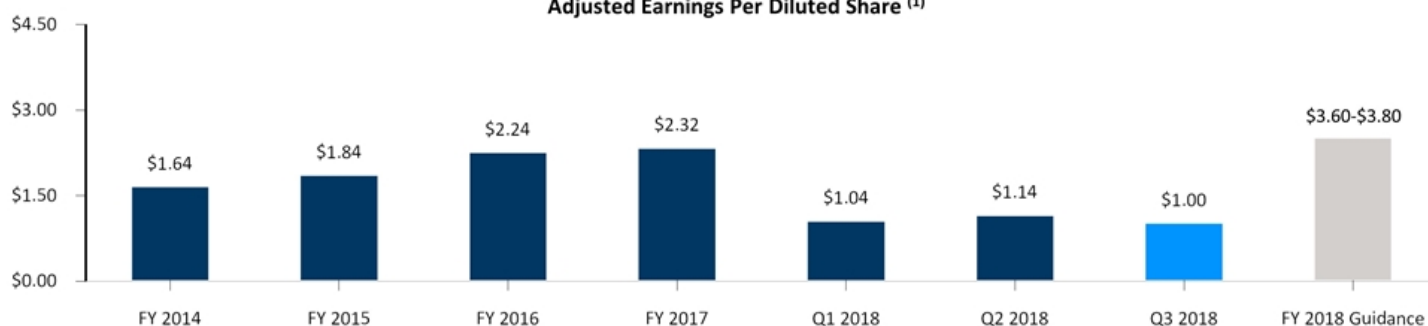


FY 2014 – Q3 2018 and FY 2018 Guidance: Earnings Per Diluted Share and Adjusted Earnings Per Diluted Share

Earnings Per Diluted Share



Adjusted Earnings Per Diluted Share ⁽¹⁾



Q3 2018, Q2 2018 and Q3 2017: Select Cash Position and Capital Allocation

All numbers in thousands, except for DSOs

	Q3 2018	Q2 2018	Q3 2017
Cash and cash equivalents	\$ 505,867	\$ 116,556	\$ 157,961
Accounts receivable, net	\$ 623,397	\$ 607,455	\$ 547,132
Days sales outstanding ("DSO")	104	101	105
Net cash provided by operating activities	\$ 120,857	\$ 34,615	\$ 106,233
Purchases of property and equipment	\$ (11,621)	\$ (8,540)	\$ (6,894)
Purchase and retirement of common stock	\$ (15,000)	\$ —	\$ (52,772)
Total Debt¹	\$ 616,250	\$ 375,000	\$ 465,000
Free Cash Flow²	\$ 109,236	\$ 26,075	\$ 99,339



¹Total debt excludes the impact of unamortized deferred debt issue costs of \$10.0 million, \$3.3 million and \$3.9 million as of September 30, 2018, June 30, 2018 and September 30, 2017, respectively, and excludes the impact of the unamortized deferred debt discount of \$46.1 million for the three months ended September 30, 2018 related to the issuance of our 2.0% convertible senior notes due 2023.

²See "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)	Q3 2018	Q2 2018	Q1 2018	Q4 2017	FY 2017	FY 2016	FY 2015	FY 2014
Net Income	\$ 44,333	\$ 43,609	\$ 38,945	\$ 66,888	\$ 107,962	\$ 85,520	\$ 66,053	\$ 58,807
Income tax provision (benefit)	19,964	14,113	15,270	(38,458)	(20,857)	42,283	39,333	42,604
Interest income and other	(1,400)	(2,474)	1,800	(452)	(3,752)	(10,466)	(3,232)	(4,670)
Interest expense	7,246	6,583	6,244	6,547	25,358	24,819	42,768	50,685
Gain on sale of business	(13,031)	—	—	—	—	—	—	—
Loss on early extinguishment of debt	—	—	—	—	—	—	19,589	—
Depreciation and amortization	8,295	8,488	7,765	7,409	31,177	38,700	31,392	33,989
Amortization of other intangible assets	1,975	2,052	2,270	2,766	10,563	10,306	11,726	15,521
Special charges	—	—	—	10,811	40,885	10,445	—	16,339
Remeasurement of acquisition-related contingent consideration	—	—	—	—	702	1,403	(1,867)	(2,723)
Adjusted EBITDA¹	\$ 67,382	\$ 72,371	\$ 72,294	\$ 55,511	\$ 192,038	\$ 203,010	\$ 205,762	\$ 210,552

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

(in thousands, except per share data)	Q3 2018	Q2 2018	Q1 2018	Q4 2017	FY 2017	FY 2016	FY 2015	FY 2014
Net income	\$44,333	\$43,609	\$38,945	\$66,888	\$107,962	\$85,520	\$66,053	\$58,807
Add back:								
Special charges	—	—	—	10,811	40,885	10,445	—	16,339
Tax impact of special charges	—	—	—	(3,635)	(13,570)	(3,595)	—	(6,702)
Loss on early extinguishment of debt	—	—	—	—	—	—	19,589	—
Tax impact of loss on early extinguishment of debt	—	—	—	—	—	—	(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	938	—	—	—	—	—	—	—
Tax impact of non-cash interest expense on convertible notes	(241)	—	—	—	—	—	—	—
Gain on sale of business	(13,031)	—	—	—	—	—	—	—
Tax impact of gain on sale of business	6,798	—	—	—	—	—	—	—
Impact of 2017 Tax Act	—	—	—	(44,870)	(44,870)	—	—	—
Adjusted Net Income¹	\$38,797	\$43,609	\$38,945	\$29,194	\$90,840	\$93,227	\$76,814	\$66,726
Earnings per common share – diluted	\$1.14	\$1.14	\$1.04	\$1.78	\$2.75	\$2.05	\$1.58	\$1.44
Add back:								
Special charges	—	—	—	0.29	1.04	0.25	—	0.40
Tax impact of special charges	—	—	—	(0.10)	(0.34)	(0.08)	—	(0.16)
Loss on early extinguishment of debt	—	—	—	—	—	—	0.47	—
Tax impact of loss on early extinguishment of debt	—	—	—	—	—	—	(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	0.03	—	—	—	—	—	—	—
Tax impact of non-cash interest expense on convertible notes	(0.01)	—	—	—	—	—	—	—
Gain on sale of business	(0.34)	—	—	—	—	—	—	—
Tax impact of gain on sale of business	0.18	—	—	—	—	—	—	—
Impact of 2017 Tax Act	—	—	—	(1.19)	(1.14)	—	—	—
Adjusted earnings per common share – diluted¹	\$1.00	\$1.14	\$1.04	\$0.78	\$2.32	\$2.24	\$1.84	\$1.64
Weighted average number of common shares outstanding – diluted	38,756	38,271	37,612	37,643	39,192	41,709	41,729	40,729

Reconciliation of Net Income to Total Adjusted Segment EBITDA

(in thousands)	Q3 2018	Q2 2018	Q1 2018	Q4 2017
Net Income	\$44,333	\$43,609	\$38,945	\$66,888
Add back:				
Income tax provision	19,964	14,113	15,270	(38,458)
Interest income and other	(1,400)	(2,474)	1,800	(452)
Interest expense	7,246	6,583	6,244	6,547
Gain on sale of business	(13,031)	—	—	—
Unallocated corporate expenses	27,806	25,882	23,888	22,974
Segment depreciation expense	7,388	7,574	6,864	6,510
Amortization of intangible assets	1,975	2,052	2,270	2,766
Segment special charges	—	—	—	10,377
Total Adjusted Segment EBITDA¹	\$94,281	\$97,339	\$95,281	\$77,152

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

(in thousands)	Q3 2018	Q2 2018	Q3 2017
Net cash provided by operating activities	\$120,857	\$34,615	\$106,233
Purchases of property and equipment	(11,621)	(8,540)	(6,894)
Free Cash Flow¹	\$109,236	\$26,075	\$99,339

Reconciliation of Full Year 2018 Earnings Per Diluted Share Guidance to Adjusted Earnings Per Diluted Share Guidance

	Year Ended December 31, 2018	
	Low	High
Guidance on estimated earnings per common share - diluted ("EPS") (GAAP) ¹	\$3.53	\$3.73
Non-cash interest expense on convertible notes, net of tax	0.06	0.06
Gain on sale of business, net of tax	(0.16)	(0.16)
Loss on early extinguishment of debt, net of tax	0.17	0.17
Guidance on estimated adjusted earnings per common share – diluted ("Adjusted EPS") (Non-GAAP) ²	\$3.60	\$3.80

¹The forward-looking guidance on estimated 2018 EPS and Adjusted EPS does not reflect other gains and losses (all of which would be excluded from Adjusted EPS) related to the future impact of remeasurement of acquisition-related contingent consideration, special charges, goodwill impairment charges and gain or loss on sale of a business, except for the actual charges taken during the nine months ended September 30, 2018, as these items are dependent on future events that are uncertain and difficult to predict.

²See "End Notes: FTI Consulting Non-GAAP Financial Measures" for the definition of Adjusted Earnings Per Diluted Share, which is a non-GAAP financial measure.

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 as a segment's share of Consolidated Operating Income. We define Total Segment Operating Income, a non-GAAP financial measure, as the total of Segment Operating Income for all segments, which excludes unallocated corporate expenses. We use Segment Operating Income for the purpose of calculating Adjusted Segment EBITDA. We define Adjusted Segment EBITDA as a segment's share of Consolidated Operating Income before depreciation, amortization of intangible assets, remeasurement of acquisition-related contingent consideration, special charges and goodwill impairment charges. We use Adjusted Segment EBITDA as a basis to internally evaluate the financial performance of our segments because we believe it reflects current core operating performance and provides an indicator of the segment's ability to generate cash. We define Adjusted 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 and losses on early extinguishment of debt. We believe that the non-GAAP financial measures, which exclude the effects of remeasurement of acquisition-related contingent consideration, special charges, goodwill impairment charges and losses on early extinguishment of debt, when considered together with our GAAP financial results and GAAP measures, provide management and investors with a more complete understanding of our operating results, including underlying trends. In addition, EBITDA is a common alternative measure of operating performance used by many of our competitors. It is used by investors, financial analysts, rating agencies and others to value and compare the financial performance of companies in our industry. Therefore, we also believe that these measures, considered along with corresponding GAAP measures, provide management and investors with additional information for comparison of our operating results with the operating results of other companies.

We define Adjusted Net Income and Adjusted Earnings per Diluted Share ("Adjusted EPS"), which are non-GAAP financial measures, as net income and earnings per diluted share ("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 ("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 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 adopting the 2017 Tax Act, when considered together with our GAAP financial results, provides management and investors with an additional understanding of our business operating results, including underlying trends.

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

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

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