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

FORM 10-K

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended December 31, 2019
OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from to
Commission file number 001-14875

FTI CONSULTING, INC.

(Exact Name of Registrant as Specified in Its Charter)

Maryland	**52-1261113**
(State or Other Jurisdiction of Incorporation or Organization)	**(I.R.S. Employer Identification No.)**
555 12th Street NW	
Washington,	
DC	**20004**
(Address of Principal Executive Offices)	**(ZIP Code)**

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

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

Title of each class	Trading Symbol	Name of Each Exchange on Which Registered
Common Stock, $0.01 par value	**FCN**	**New York Stock Exchange**

Securities Registered Pursuant to Section 12(g) of the Act: None

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

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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

The aggregate market value of the voting and non-voting common stock held by non-affiliates of the registrant was $2.3 billion, based on the closing sales price of the registrant's common stock on June 28, 2019.

The number of shares of the registrant's common stock outstanding as of February 17, 2020 was 37,493,897.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of our definitive Proxy Statement to be filed with the Securities and Exchange Commission within 120 days after the end of our 2019 fiscal year are incorporated by reference into Part III of this Annual Report on Form 10-K to the extent stated herein.

FTI CONSULTING, INC. AND SUBSIDIARIES
Annual Report on Form 10-K
Fiscal Year Ended December 31, 2019

TABLE OF CONTENTS

FTI CONSULTING, INC.

PART I

Forward-Looking Information

This Annual Report on Form 10-K (the "Annual Report") includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), that involve uncertainties and risks. Forward-looking statements include statements concerning our plans, objectives, goals, strategies, future events, future revenues, future results and performance, future capital allocations and expenditures, expectations, plans or intentions relating to acquisitions, share repurchases and other matters, business trends, new, or changes to, laws and regulations, including the 2017 U.S. Tax Cuts and Jobs Act, and other information that is not historical. Forward-looking statements often contain words such as *"estimates," "expects," "anticipates," "projects," "plans," "intends," "believes," "forecasts"* and variations of such words or similar expressions. All forward-looking statements, including, without limitation, management's financial guidance and examination of operating trends, are based upon our historical performance and our current plans, estimates and expectations at the time we make them, and various assumptions. There can be no assurance that management's expectations, beliefs, forecasts and projections will result or be achieved. Our actual financial results, performance or achievements could differ materially from those expressed in, or implied by, any forward-looking statements. The inclusion of any forward-looking information should not be regarded as a representation by us or any other person that the future plans, estimates, forecasts or expectations contemplated by us will be achieved. Given these risks, uncertainties and other factors, you should not place undue reliance on any forward-looking statements.

There are a number of risks and uncertainties that could cause our actual results to differ materially from the forward-looking statements contained in, or implied by, statements in this Annual Report. Important factors that could cause our actual results to differ materially from the forward-looking statements we make in this Annual Report are set forth in this report, including under the heading "Risk Factors" in Part I, Item 1A of this Annual Report. All forward-looking statements attributable to us or persons acting on our behalf apply only as of the date of this Annual Report and are expressly qualified in their entirety by the cautionary statements included herein. We undertake no obligation to publicly update or revise any forward-looking statements to reflect subsequent events or circumstances and do not intend to do so.

ITEM 1. BUSINESS

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

Company Overview

General

FTI Consulting is a global business advisory firm dedicated to helping organizations manage change, mitigate risk and resolve disputes: financial, legal, operational, political and regulatory, reputational and transactional. Individually, each of our segments and practices is staffed with experts recognized for the depth of their knowledge and a track record of making an impact. Collectively, FTI Consulting offers a comprehensive suite of services designed to assist clients across the business cycle, from proactive risk management to rapid response to unexpected events and dynamic environments.

We report financial results for the following five reportable segments:

- Corporate Finance & Restructuring;
- Forensic and Litigation Consulting;
- Economic Consulting;
- Technology; and
- Strategic Communications.

We work closely with our clients to help them anticipate, illuminate and overcome complex business challenges and make the most of opportunities arising from factors such as the economy, financial and credit markets, governmental legislation and regulation, and litigation. We provide our clients with expert advice and solutions involving turnaround and restructuring (including bankruptcy), business transformations (including performance improvement), interim management, transactions (including mergers and acquisitions ("M&A"), forensic accounting and advisory services, global risk & investigations, antitrust and competition matters, international arbitrations, regulated industries, securities litigation and risk management, electronic discovery management (or "e-discovery"), managed document review, collection and computer forensics), information governance, privacy and security, M&A crisis and special situation communications, and public affairs communications. Our experienced professionals are acknowledged leaders in their chosen field not only for their level of knowledge and understanding, but for their ability to structure practical workable solutions to complex issues and real-world problems. Our clients include Fortune 500 corporations, FTSE 100 companies, global banks, major law firms, and local, state and national governments and agencies around the globe. In addition, major United States ("U.S.") and international law firms refer us or engage us on behalf of their clients. We believe clients retain us because of our recognized expertise and capabilities in highly specialized areas, as well as our reputation for successfully meeting our clients' needs.

Our operations span the globe encompassing locations within: (i) the Americas, consisting of our 48 U.S. offices located in 21 states, 4 offices located in Canada and 6 offices serving Latin America located in Argentina, Brazil, Colombia, Mexico, the Cayman Islands and the Virgin Islands (British); (ii) Asia and the Pacific, consisting of 16 offices located in Australia, China (including Hong Kong), India, Indonesia, Japan, South Korea, Malaysia and Singapore; and (iii) Europe, Middle East and Africa ("EMEA"), consisting of 26 offices located in Belgium, Finland, France, Germany, Ireland, Israel, Qatar, South Africa, Spain, United Arab Emirates and the United Kingdom ("UK").

We derive the majority of our revenues from providing professional services to clients in the U.S. For the year ended December 31, 2019, we derived approximately 66% and 34% of our consolidated revenues from the work of professionals who are assigned to locations inside and outside the U.S., respectively.

Summary Financial and Other Information

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

	Year Ended December 31,	
Reportable Segment	2019	2018
Corporate Finance & Restructuring	31%	28%
Forensic and Litigation Consulting	25%	26%
Economic Consulting	25%	26%
Technology	9%	9%
Strategic Communications	10%	11%
Total	100%	100%

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

	Year Ended December 31,		Year Ended December 31,	
	2019		2019	2018
	Offices	Countries	Billable Headcount	Billable Headcount
Corporate Finance & Restructuring	45	15	1,194	948
Forensic and Litigation Consulting	62	19	1,351	1,153
Economic Consulting	42	17	790	708
Technology	31	10	361	306
Strategic Communications	35	17	728	641
Total			4,424	3,756

Our Reportable Segments

Corporate Finance & Restructuring

Our Corporate Finance & Restructuring segment focuses on the strategic, operational, financial, transactional and capital needs of our clients around the world. Our clients include companies, boards of directors, investors, private equity sponsors, banks, lenders, and other financing sources and creditor groups, as well as other parties-in-interest. We deliver a wide range of service offerings, centered around three core offerings: turnaround, restructuring and bankruptcy, business transformation (including financial and operational improvement services) and transactions (including diligence, merger integration, carve-out and valuation services). Additionally, our services include interim management, dispute advisory, valuation and financial advisory and tax services. Many clients demand our industry expertise, which includes emphasis in the automotive, energy, power & products (“EPP”), healthcare & life sciences, mining, real estate, retail & consumer products, and telecom, media & technology (“TMT”) sectors.

In 2019, our Corporate Finance & Restructuring segment offered the following services:

- **Turnaround, Restructuring and Bankruptcy**. We provide advisory services to help our clients stabilize finances and operations to reassure creditors and other stakeholders that proactive steps are being taken to preserve and enhance value. For clients confronting liquidity problems, excessive leverage, underperformance, overexpansion, or other business or financial issues, we develop liquidity forecasts, identify cash flow improvements, obtain financing, negotiate loan covenant waivers and guide complex debt restructuring.

  Our turnaround management professionals provide their turnaround skills, restructuring expertise, and industry and functional experience to lead through crisis situations, such as financial and operational restructuring and insolvency and bankruptcy, by stabilizing financial position, optimizing financial resources, protecting enterprise value, resolving regulatory compliance issues, building morale and establishing credibility with stakeholders. Our professionals serve in the following interim executive and management roles: chief executive officer, chief operating officer, chief financial officer, chief restructuring officer, controller and treasurer, and other senior positions that report to them.

  Our company advisory group advises and assists clients by providing liquidity management, operational improvement, turnaround and restructuring, and capital solutions services to achieve successful turnarounds. Through our out-of-court services, we assist clients with right-sizing infrastructure, improving liquidity and solvency, improving cash flow and working capital management, selling noncore assets or business units and recapitalization. We perform due diligence reviews, financial statement, cash flow and EBITDA analyses, prepare liquidity forecasts and financial projections, recommend credit alternatives, assist in determining optimal capital structure, monitor portfolios of assets, assess collateral, provide crisis credit and securitized transaction assistance, negotiate loan covenant waivers, and guide complex debt restructurings. We also lead and manage the financial aspects of in-court restructurings and bankruptcies by offering services that help our clients assess the impact of a bankruptcy filing on their financial condition and operations. We provide critical services specific to court-supervised insolvency and bankruptcy proceedings. We represent underperforming companies that are debtors-in-possession and lenders. With a focus on minimizing disruption and rebuilding the business after an exit from bankruptcy or insolvency, we help clients accelerate a return to business as usual.

  Our creditor advisory group advises and assists secured and unsecured creditors in distressed situations to maximize recoveries and preserve the value of assets. Our services include assessing short-term and long-term liquidity needs, evaluating operations and the reasonableness of business plans, determining enterprise value, negotiating executable restructuring programs, building a consensus within the creditor group, investigating intercompany transactions and potential fraudulent conveyances, bankruptcy preparation and reporting services, financial analysis in support of petitions and affiliated motions, strategies for monetizing a debtor’s assets, the discovery of unidentified assets and liabilities, and expert witness testimony.

- **Business Transformation**. The services offered by our business transformation practice focus on supporting clients through transformational change, disruption and M&A to drive sustainable growth and value. Dedicated to working alongside our clients at every stage of the business lifecycle, our experts focus on:

  - ***Revenue Growth,*** including sales effectiveness, market, product and customer strategy, pricing, and profitability.

- ***Operations,*** including strategic sourcing and procurement, optimizing the supply chain and operating network, increasing the efficiency of manufacturing and implementing lean best practices to enhance profitability and organizational effectiveness.
- ***Finance,*** addressing people, process and technology gaps by utilizing data analytics and best practices to establish solutions that support finance responsibilities while balancing the company's strategic goals.
- ***People,*** partnering with business leaders, management and human resources professionals, to help organizations fully realize transformational change by addressing human capital needs, including organizational design and workforce optimization, culture and change management, employee engagement, executive compensation, and people analytics.

- **Transactions.** Advising both corporate and financial clients across the deal life cycle, we support clients to strategize, structure, diligence, integrate, carve out, value and communicate around a transaction. Services include, quality of earnings and pre-deal assessment, transaction structuring, due diligence, synergy, risk, valuation and operating efficiency identification, valuation, post-deal integration and carve-out services, as well as implementation work. In addition to our core transactions offerings, we provide:
    - ***Investment Banking Services.*** We provide investment banking services in the U.S. and other countries, including Canada and Puerto Rico, through financial industry regulated entities, focusing on identifying and executing value-added transactions for public and private middle market companies. We can also provide investment advisory services through our registered advisors.
    - ***Valuation & Financial Advisory Services.*** We provide an array of forecasting, valuation and transaction support services with respect to strategic transactions, including capital markets, M&A and distressed situations. We have the expertise to provide fairness, solvency, collateral valuation, intellectual asset valuation, and going concern valuation options.
    - ***Tax Services.*** We advise businesses on a variety of tax matters ranging from tax transaction support to best practice process implementation and structuring. We provide advisory services relating to corporate, partnership, real estate investment trust ("REIT") and real estate tax compliance and reporting, international taxation, debt restructuring, foreign, state and local taxes, research and development, transfer pricing, tax valuation services and value-added taxation.

Additional practice specialties, which are utilized by our turnaround, restructuring and bankruptcy, business transformation and transactions clients, include:

- ***Interim Management.*** Through interim management services, our professionals fill the void when our clients need skilled, experienced leadership to pursue opportunities, contend with executive turnover and transition, or drive strategic transactions or change. The experienced and credentialed professionals in our interim management practice assume executive officer level roles, providing the leadership, financial management, and operating and strategic decision-making abilities to lead transitions due to extraordinary events such as M&A, divestitures, changes in control and carve-outs of businesses from larger enterprises.
- ***Dispute Advisory***. We provide independent litigation consulting, including bankruptcy and avoidance litigation and industry-specific civil, commercial and regulatory dispute services. Our bankruptcy and avoidance litigation services include consulting, expert witness and trial services related to preferential payments, solvency and fraudulent conveyances, substantive consolidation, claims litigation, plan feasibility, valuation disputes, and board fiduciary assessments. Our commercial and regulatory dispute services involve industry-specific expertise relating to industry standards and customary practices, economic damages, fact finding, and forensic review and analysis, primarily related to the automotive, hospitality, gaming and leisure, real estate, retail and consumer products and TMT industries.
- ***Executive Compensation & Corporate Governance.*** We provide objective advice on the design and implementation of comprehensive executive compensation programs to attract, retain, reward and motivate management and employees for the right kind of performance while closely aligning the interests of employees with those of the company's shareholders and investors. Our corporate governance services include succession planning, stock ownership requirements, and shareholder engagement and outreach.

Forensic and Litigation Consulting

Our Forensic and Litigation Consulting segment provides law firms, companies, government clients and other interested parties with multidisciplinary and independent services related to risk advisory, investigations and disputes. Our risk advisory services leverage deep data and analytics expertise to advise our clients in response to allegations involving regulatory compliance, white-collar crime, monitorship and receivership. We have particular expertise with alleged violations of anti-corruption laws such as the U.S. Foreign Corrupt Practices Act (the "FCPA"), the UK Bribery Act (the "UKBA") and the Organisation for Economic Co-operation and Development. Our investigations practice conducts sophisticated investigations to help clients address and mitigate risk, protect assets and remediate compliance when dealing with fraud and enforcement-related allegations and cybersecurity threats. Within our disputes advisory offering we assist our clients with quantifying damages and providing expert testimony in a wide range of situations. We employ forensic accounting and complex modeling to analyze financial transactions and identify, collect, analyze and preserve information within enterprise systems. We can deploy our full array of service offerings across jurisdictional boundaries from our offices located in major business centers around the world.

In 2019, our Forensic and Litigation Consulting segment offered the following services:

- **Forensic Accounting & Advisory Services**. We assist U.S. and multinational clients with responding to allegations involving accounting, financial reporting, fraud, regulatory scrutiny and corruption inquiries. We assist corporate clients with compliance, governance advisory and remediation services to strengthen their defenses against white collar crime. Our securities industry and accounting advisory professionals assist corporations in addressing financial restatement matters and responding to all phases of actions and litigation from the U.S. Securities and Exchange Commission ("SEC"), the Public Company Accounting Oversight Board, the UK’s Financial Reporting Council and other regulatory bodies.

- **Global Risk and Investigations Practice**. We bring a multidisciplinary approach to advising clients with their investigations. We apply our expertise in fraud and enforcement-related investigations, focusing on white-collar crime, bribery and corruption, money laundering, sanctions violations, embezzlement, transactional due diligence, litigation intelligence and commercial disputes. We have professionals located around the globe who have a deep understanding of the multi-jurisdictional investigative processes. Our clients rely on our services to assess risk, recover misappropriated assets, report to key stakeholders and institute reforms.

- **Cybersecurity**. Through a comprehensive set of cybersecurity offerings, combined with cutting-edge technologies and capabilities, we help clients understand the cyber risks they face so that critical needs are addressed. Further, we can integrate new solutions atop or alongside pre-existing policies and programs to better combat cybersecurity threats. We help our clients understand their own environments, identify threats, implement defensive strategies, respond to crises, and recover their operations and reputation after an incident.

- **Export Controls & Sanctions**. We help U.S. and non-U.S. companies comply with global export controls and sanctions laws, providing services such as due diligence, advanced data analytics for risk models, practical policies and procedures, and tailored training programs. We regularly support legal counsel in navigating the complexity of export controls and sanctions compliance by simplifying them into manageable, actionable and auditable internal controls. Our consultants also provide insight into the possible interpretations of new sanctions based on foreign policy and national security priorities, and how these priorities might affect the expectations of government agencies for compliance.

- **Dispute Advisory Services**. We provide comprehensive economics, finance, valuation and accountancy services to the global business and legal communities designed to protect and enhance value for all stakeholders. Our practice is built around authoritative, experienced, and independent functional and industry experts, accountants and economists. These experts understand the hands-on application of traditional and emerging economic, financial, valuation and accountancy, data analyses and analytical methodologies. We provide assessment and litigation support at every stage of judicial disputes (including class actions) and for a broad range of federal and state courts, arbitrations and regulatory forums, including international arbitrations. Our experts are both individually recognized for the depth of their knowledge and also for our work as a team to resolve the many interconnected issues our clients face in complex business disputes. Our work is focused on the following areas: securities, accounting and regulatory enforcement (including securities and antitrust) matters, intellectual property ("IP") disputes, valuation, solvency and acquisition disputes, international arbitrations, financial product litigation, labor and employment disputes, business interruption claims, and general commercial and contract disputes.

- **Trial Services**. We help organize information into a cohesive and persuasive story and provide the tools and expertise to present that story in briefs and expert reports, in the courtroom or in presentations to regulators. Our professionals integrate with legal teams, delivering graphics, presentations, technology, jury consulting and a wide variety of custom tools, designed to make their arguments more memorable, compelling and persuasive. We provide end-to-end support, from pretrial research and hearings through post-trial briefs.

- **Data & Analytics**. We support some of the world's largest investigations with advanced analytics solutions, uncovering insights and relationships from financial, operational and transactional data often stored in various systems and jurisdictions. We visualize suspicious relationships as data clusters and patterns and pass the results on for further analysis and verification by our forensic investigations team. The results are fed back to fine-tune machine learning algorithms for identification and prediction of fraudulent transactions and other financial crimes such as money laundering and sanction breaches. Our experts build customized applications as required by case, leverage visualization tools for information sharing, and assist with performing system and information technology audits.

- **Compliance, Monitoring & Receivership**. We provide full-scale assessments and process improvement and support services for compliance programs or in support of trustees, independent monitors, receivers and examiners. In matters involving the appointment of monitors, receivers or examiners by courts or regulators, our experts possess the necessary independence and skills to test and monitor compliance with, and the continuing effectiveness of, the terms of settlements or reforms across many industries and professions.

- **Anti-Corruption Investigations & Compliance**. We help clients mitigate corruption risks and investigate and prevent corruption issues arising from the FCPA, the UKBA, Brazil's Clean Company Act and other similar global anti-corruption laws.

- **Financial Crimes and Anti-Money Laundering**. We assist financial and non-financial institutions, broker-dealers, money transmitters, regulators, insurers, law firms, investors and corporations with investigating and addressing anti-money laundering and anti-corruption regulations. We also assist with regulatory compliance and Office of Foreign Assets Control sanctions. Our expertise combines our banking and investigative experience with our specialized technology and data services.

- **Global Insurance Services**. Our credentialed insurance experts and consultants support insurers, reinsurers, brokers, captives, risk retention groups, banks, regulators, investors, other insurance providers, and corporations and their counsel. We deliver the specialized expertise, experience, financial, technical and leadership skills to help those in the insurance industry and its associated ecosystem to resolve issues, measure and manage risk, improve financial performance, and optimize opportunities.

- **Construction Solutions**. We provide commercial management, risk-based advisory, dispute resolution and strategic communications services for complex construction projects across all industries, including but not limited to energy, infrastructure and healthcare. Our professionals are industry leaders who understand technical, business and regulatory matters related to large and complex construction projects and are seasoned in giving expert testimony in construction-related disputes.

- **Asset Lifecycle Management.** We streamline the construction, maintenance, operations and retirement of capital assets, helping to deliver optimal lifecycle return on investment. Our professionals, well-proven processes, and state-of-the-art tools and technology optimize performance, reduce risk and improve collaboration among stakeholders across countless industries. We advise owner/operators, equity partners, and engineering, procurement and construction firms on the diverse challenges faced throughout the process of improving the lifecycle value for critical capital assets. We regularly fulfill project and operations management roles for clients around the world. Our services and tools improve aspects of the asset management lifecycle, shortening time to value and increasing capital efficiency.

- **Environmental Solutions.** We help organizations deal with environmental issues or programmatic challenges by offering services that focus on the resolution of complex contamination, toxic tort, products liability and insurance disputes. We provide clients with services in the areas of alternative dispute resolution (arbitration and mediation), cleanup cost and damages allocation, financial and cost accounting, forensic historical research, private investigations and environmental claims analysis. Our team possesses specialized project expertise in areas such as petroleum, chemicals, urban waterway (sediment), landfill, mining and smelting, and government operations.

- **Health Solutions**. We work with a variety of healthcare and life sciences clients to discern innovative solutions that optimize performance in the short term and prepare for future strategic, operational, financial and legal challenges. Our diverse team of experts address challenges across the spectrum of healthcare disciplines. These professionals offer specialized capabilities and have a track record of success across multiple disciplines, including performance improvement, restructuring, compliance, investigations, disputes, data analysis, strategic and economic analysis, and stakeholder communications.

Economic Consulting

Our Economic Consulting segment provides law firms, corporations, government entities and other interested parties with analyses of complex economic issues for use in legal, regulatory and international arbitration proceedings, strategic decision making and public policy debates in the U.S. and around the world. We deliver sophisticated economic analysis and modeling of issues arising in complex M&A transactions, antitrust litigation, commercial disputes, international arbitrations, regulatory proceedings, IP disputes and a wide range of financial litigation. We help clients analyze issues such as the economic impact of deregulation on a particular industry and the amount of damages suffered by a business as a result of a particular event. Our professionals regularly provide expert testimony on damages, rates and prices, valuations (including valuations of complex financial instruments), antitrust and competition regulation, business valuations, IP, transfer pricing and public policy.

In 2019, our Economic Consulting segment offered the following services:

Antitrust & Competition Economics

- **Non-M&A-related Antitrust**. We provide financial, economic and econometric consulting services to assist clients in public policy debates, regulatory proceedings and litigation. Our professionals are experts at analyzing and explaining the antitrust and competition impact of diverse proceedings relating to price fixing, monopolization and abuse of a dominant position, exclusionary conduct, bundling and tying, and predatory pricing. We also provide expert testimony regarding class certifications and quantification of damages analyses for corporations, governments and public-sector entities in the U.S. and around the world.

- **M&A-related Antitrust.** We have unsurpassed expertise in analyzing and articulating the competitive effects and consumer benefits of mergers and other transactions in complex and dynamic markets such as healthcare, transportation and TMT. Our experts have analyzed and presented evidence before regulatory authorities on both horizontal and vertical M&A, and we have served as advisors and experts to regulatory agencies on M&A policy matters. Our expertise includes evaluation of competitive effects, efficiencies and benefits of consolidation, comprehensive assessments of market definition and empirical analyses, and assessments of market conditions affecting entry and expansion. We employ the same empirical models used by regulatory authorities for assessing the competitive effects of transactions. In addition, we utilize predictive analytics to test the likelihood of successful divestitures when required and advise on the competition aspects of transactions from conception to completion.

Financial Economics

- **Valuation**. We help clients identify and understand the value of their businesses in both contentious and uncontentious situations. We provide business valuation, expert valuation and expert testimony services relating to traditional commercial disputes and other matters, including transaction pricing and structuring, securities fraud, valuations for financial reporting, tax, regulatory and stakeholder investment compliance, solvency issues, fraudulent transfers, investment decisions, post-acquisition M&A disputes, and transactions and disputes between shareholders. We also provide our clients with specialized valuation opinions and expert testimony involving international disputes before international courts of jurisdiction and arbitration tribunals.

- **Securities Litigation & Risk Management**. We apply economic theory, econometrics and the modern theory of finance to assess, quantify and manage risks inherent in global financial markets. We advise clients and testify on a variety of issues, including securities fraud, insider trading, initial public offering (“IPO”) allocations, market efficiency, market manipulation and forms of securities litigation. We also evaluate financial products such as derivatives, securitized products, collateralized obligations, special purpose entities and structured financial instruments and transactions.

International Arbitration. We work with companies, governments and members of the international bar to provide independent advice and expert testimony relating to business valuations and economic damages in a wide variety of commercial and treaty disputes before international arbitration tribunals. Our services include evaluating claims, identifying and quantifying economic damages, providing litigation support and identifying the best approaches to achieve appropriate outcomes.

Regulated Industries. We provide economic analysis, econometrics and network modeling to provide information to major network and regulated industry participants on the effects of regulations on global business strategies. We also provide advice on pricing, valuation, risk management, strategic and operational challenges and the transition of regulated industries to more competitive environments. Our services include economic analyses, econometrics and modeling, due diligence and expert testimony.

Intellectual Property. We help clients understand and maximize the value of their intangible business assets. We calculate losses from IP infringement, apply econometrics to develop pricing structures for IP valuation and licensing, manage the purchase or sale of IP assets, negotiate with tax authorities, and determine IP-related losses in legal disputes and arbitrations. We also provide IP-related advice and expert opinions and testimony for commercial transactions, intergroup transfers, M&A and negotiations with taxing authorities to a wide range of industries.

Labor & Employment. We prepare economic and statistical analyses for clients facing disputes relating to wage and hour issues, class action, class certification, lost earnings and discrimination. Our experienced labor and employment team provide statistical analyses of data and damage exposure, review and rebut expert reports, calculate the economic value of a claim, determine if the purported class in labor and employment litigation meets legal requirements for certification, and serve as expert witnesses.

Public Policy. We advise clients regarding the impact of public policy initiatives, legislation and implementation of regulations on industries and commercial transactions. We perform financial and economic analyses of policy and regulatory matters and the effect of legislation, regulations and policy considerations on a wide range of issues facing our clients around the world, such as the environment, taxation and regulations relating to global competitiveness.

Center for Healthcare Economics and Policy. We support and facilitate the work of local governments, insurers, providers, physicians, employers and community-based stakeholders by providing data-driven strategies and solutions based on empirical analyses and modeling to reduce the per capita cost of healthcare, improve the health of populations, and enhance patient experience and access to care.

Management Consulting

- **Economic Impact Analysis**. We apply both market and macroeconomic models across a range of industries to analyze how markets and the broader economy react to changes in regulation, public policy and corporate strategies. Our clients use our analyses to formulate their strategic plans to educate key stakeholders, including policymakers, regulators, the media and the public on the benefits and costs of their plans when determining the best course of action.

- **Market Modeling.** We develop and deploy proprietary and third-party market modeling tools to explore complex business problems for clients facing technology, regulatory and economic uncertainties. We have served a diverse set of private and public sector clients across the world in industries such as EPP, mining, healthcare and life sciences, transportation, agriculture and commodities. Our market models include system optimization, Monte Carlo, stochastic, revenue requirement, cost of service, net present value and auction modeling. We have applied these models to advise clients on business strategy, resource economics, planning and budgeting, capital market transactions, contract negotiation, arbitration, litigation and public policy matters.

Other Litigation

- **Applied Statistical Data Sciences.** Utilizing the latest statistical and data sciences methods, we provide clients with quantitative solutions and intuitive insights. Our team of testifying experts, economists, data scientists and statisticians combine technical modeling and industry expertise to construct empirical and analytical models that support business and litigation strategies. We help our clients tackle complex issues, such as determining how best to minimize risks, quantifying liability and damage exposure, negotiating contracts, and supporting investment and pricing strategies. Our models have been used extensively in litigation to assess causation and damages, detect potentially illegal behavior, fine-tune litigation strategies and negotiate settlements.

Technology

Our Technology segment provides a comprehensive global portfolio of products and services that help clients control the risk and expense associated with data and information management in the context of regulatory compliance, legal events and day-to-day business operations. We offer end-to-end e-discovery, information governance and privacy services, advanced analytics, software solutions and expert advisory services to companies, law firms, courts and government agencies worldwide. Our professionals help clients locate, analyze, review and produce electronically stored information ("ESI") such as email, computer files, audio, video, instant messaging, cloud data and social media. We support clients through complex issues, including cross-border investigations, litigation and joint defense, discovery and preparation, antitrust and competition investigations, including M&A-related “second requests,” data migration, General Data Protection Regulation Act compliance and cryptocurrency-related disputes, litigation and investigations.

In 2019, the Technology segment offered the following services:

- **E-discovery and Data Compliance Management**. We plan, design and manage discovery workflows and engagements, applying advanced analytics approaches, to maximize responsiveness, minimize costs and risks, and provide greater cost predictability. We offer several deployment options, from a do-it-yourself on-premises model to full-service including data processing, production, hosting and consulting on discovery case management and data analysis. Our e-discovery services are offered on multiple leading review platforms and include client access to emerging new technologies. For data compliance management, we also offer our clients the option to establish master repositories where historical data can be accessed and used across multiple matters, enabling the reuse and retention of valuable attorney work product and other information.

- **Managed Document Review**. We offer Acuity®, a managed multilingual, global review offering that allows corporations and law firms to improve the cost-effectiveness of the document review processes while more effectively identifying the most critical information and documents in large data sets. With Acuity®, we drive review efficiency by leveraging the power of analytics and artificial intelligence while ensuring rigorous project and budget oversight. Acuity® workflows enable collaboration among the corporation, law firm and our managed review teams.

- **Digital Forensics**. We help organizations meet requirements for collecting, analyzing and producing large amounts of data from multiple jurisdictions through a variety of sources, including email, chat, voicemail, backup tapes, social media, the cloud, mobile devices, shared server files and databases. We provide both proactive and reactive support using expert services, methodologies and tools that help organizations and their legal advisors understand technology-dependent issues, including the reconstruction of data that has been deleted, misplaced or damaged.

- **Information Governance, Privacy & Security**. We help clients design, implement and maintain strategies for information governance, privacy and security to reduce corporate risk, achieve compliance with emerging privacy regulations, decrease storage costs, secure data, improve the e-discovery process and enable better insight into the organization’s data. Our services include: data privacy program design and implementation, data migration (including cloud), remediation and segregation services (including social media, text messaging, audio, video, workstation, backup and forensic image), defensible decommissioning and disposition of business applications, and litigation hold process optimization.

- **Contract Intelligence**. We provide organizations and law firms a centralized method to review and analyze their global contract universe through a cost-effective solution that incorporates key components of contract life cycle management. Our services help our clients better find, understand and act upon contracts to meet regulatory requirements, reduce risk and recognize greater business value in various business contexts, including pre-merger contract diligence, alignment of contracts with new regulations and analyses of leasing agreements for compliance with new accounting standards, among others.

Strategic Communications

Our Strategic Communications segment designs and executes communications strategies for CEOs, management teams and boards of directors that help them seize opportunities, manage financial, regulatory and reputational challenges, navigate market disruptions, articulate their corporate brand, stake a competitive position and preserve their freedom to operate. We believe our integrated multidisciplinary offering, bolstered by subject matter expertise, industry specialization and our global reach, uniquely positions us to help clients with their most complex and multinational issues.

In 2019, our Strategic Communications segment offered the following services:

- **Corporate Reputation.** We promote businesses and protect corporate reputations by creating solutions for our clients' mission-critical communications needs. Our services include reputational risk advisory, stakeholder identification, mapping and engagement, messaging and organization positioning, thought leadership consultancy, corporate responsibility, environmental, social and governance advisory, strategic media relations, and media and presentation coaching. In addition to supporting external messaging, we help our clients plan, design and implement internal communications programs to enhance employee engagement. Our services also assist business leaders in communicating and navigating through transformative events, including new strategy and vision introductions, and executive positioning.

- **Public Affairs & Government Relations.** We advise organizations around the world on how to effectively engage with governments and policymakers. Our integrated team has a presence in leading political centers globally, including Berlin, Brussels, London, Beijing, Melbourne and Washington, D.C. We offer a full range of engagement programs, ranging from crisis management of imminent legislation to longer-term shaping of the policy environment. We also employ a range of qualitative and quantitative tools to establish our clients' case in connection with government investigations, political and legislative engagement, public policy debates and business strategies, whether in terms of message refinement, policy mapping, reputation benchmarking, opinion polling or speechwriting.

- **Capital Markets Communications.** We assist clients in developing and delivering a consistent and credible narrative to investors and the investment community. We help companies present their entry into the equity markets, from articulating the strategic rationale and investment thesis to preparing the registration statement with securities regulators and executing the IPO roadshow. We also provide core services that support best-in-class investor relations programs following an IPO, including perception audits, investor targeting, financial calendar communications, executive positioning, market intelligence, investor collateral and investor events, among others.

- **Crisis Communications.** We advise clients on their communications challenges related to a wide range of crisis events including cybersecurity threats, corporate investigations, workplace misconduct, fraud, litigation, product liability and recalls, as well as operational incidents, among others. In addition to on-the-ground support, we help clients assess the potential severity, duration and stakeholder impact of a situation in order to determine the most effective response strategy. We support our clients throughout the crisis lifecycle by developing customized training sessions that prepare them for crisis events, from assessment and scenario planning to mobilization, and traditional media training where we test a client's ability to respond and execute in a given situation.

- **Transaction Communications**. We specialize in advising clients on their communications issues related to M&A, turnaround, restructurings, bankruptcies, activist situations and other transaction- and market-related concerns. We employ a disciplined discovery process to identify preparedness gaps, assess the situation, plan for various possibilities, prepare and disseminate communications, as well as manage legal and political considerations. We provide services relating to a wide range of M&A scenarios, including transformative and bolt-on acquisitions, friendly and hostile takeovers and activism defense. We also advise clients in situations that present threats to their valuation and reputation with investors such as proxy contests, financial restatements, shareholder activism, unplanned management changes and related crises. Finally, we provide turnaround and restructuring communications that are often integrated with the firm's Corporate Finance & Restructuring services and designed to help management teams stabilize their businesses and address the concerns of internal and external stakeholders.

- **Digital, Analytics & Insights**. We collaborate with clients to develop data-driven communications campaigns that advance their business objectives among key stakeholders. Our approach includes leveraging customized advanced analytics to understand corporate perception through the views of multiple stakeholders. Our services include designing messages and the corporate brand's digital and visual identity, developing the digital program and platforms to support these messages, quantifying the return on investment and the impact on reputation and enterprise values, and optimizing the campaign based on data and insights.

Our Industry Specializations

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

Aerospace & Defense. Our aerospace and defense professionals provide services addressing the core issues related to the strategic growth and tactical priorities of commercial aviation, airlines, defense contractors, aviation maintenance, repair and overhaul and service providers, and security-oriented businesses. We help our clients navigate issues such as organic and inorganic growth, affordability, profitability, digital strategies, complex disputes with governments and regulators, regulatory audits, strategic communications and improvements to business systems.

Agriculture. Our agribusiness experts advise producers, accumulators and processers to address global concerns relating to the quality, quantity, biodiversity, commodity pricing and sustainable practices, and the effects of weather, climate change and animal rights activism on the food supply.

Automotive. Our automotive experts offer vehicle manufacturers, suppliers, retailers, vehicle financers and other automotive subsectors, as well as their creditors, lenders and other stakeholders, a comprehensive range of corporate finance and strategic communications services.

Construction. Our construction services professionals provide commercial management, risk-based advice, dispute resolution services and strategic communications counsel on complex projects across all construction and engineering industries. Our professionals are industry leaders who understand technical, business, regulatory and legal matters and are seasoned in giving expert testimony to ensure that every aspect of their capital program or project is properly governed, well-executed, regulatory compliant and fully supported from beginning to end.

EPP. Our EPP professionals provide a wide array of advisory services that address the strategic, financial, restructuring, reputational, regulatory and legal needs of energy and utility clients involved in the production of crude oil, natural gas, refined products, chemicals, coal, electric power, emerging technologies, and renewable energy and clean energy technologies. Our professionals are involved in many of the largest financial and operational restructurings, regulatory and litigation matters involving energy and utility companies globally.

Environmental. Our environmental services professionals provide a comprehensive suite of services aimed at helping organizations manage and resolve specific environmental issues or programmatic challenges. Our services focus on the resolution of complex contamination, toxic tort, products liability, and insurance investigations and disputes before courts, regulators, mediators and alternative dispute tribunals.

Financial Institutions. Our professionals assist banks and financial services clients of all sizes and types in navigating through a changing environment of financial services regulations and enforcement actions, litigation threats, and economic and competitive challenges. We work with clients to manage risk, ensure compliance, resolve regulatory inquiries as they arise, engage with relevant stakeholders, and leverage their assets to protect and enhance enterprise value.

Healthcare & Life Sciences. Our professionals work with a wide variety of healthcare and life sciences clients to discern innovative solutions that optimize performance in the short term and prepare for future strategic, operational, financial, regulatory, legal and reputational challenges. We provide a one-company team of experts across the spectrum of healthcare disciplines. These professionals have specialized capabilities and a record of success across hospital operations and restructuring, healthcare economics, regulatory compliance, and stakeholder engagement and communications.

Hospitality, Gaming & Leisure. Our professionals help hotels, resorts, casinos, timeshares and condo hotels with operational realignment, asset and interim management, strategic analysis and event readiness (e.g., IPO, receivership, bankruptcy) and stakeholder engagement to preserve, protect and enhance asset and enterprise value.

Insurance. Our professionals combine their business and technical acumen to help insurers, reinsurers, captives, brokers, investors, regulators, and corporations and their legal and business advisors address complex strategic and tactical issues. We apply methodologies, analytics and communications counsel to support the strategic requirements of our clients to protect assets, meet compliance requirements, achieve performance goals and engage with key stakeholders. Our professionals have a proven track record of effectively managing a broad range of large domestic and international engagements such as high-profile, discreet investigations and disputes, complex restructuring and enterprise-wide transformations, and the application of methodologies and analytics to innovate, improve performance, reduce risk and achieve compliance.

Mining. Our professionals assist mining businesses in understanding how to conduct business in emerging markets, M&A, capital markets financing, commodity pricing, valuations and quantification of damages in dispute situations.

Public-Sector & Government Contracts. Our government contracts team assists businesses through all phases of public sector contracting, including complying with government regulations and managing government business, risk avoidance, dispute resolution and litigation support. Our public-sector solutions team delivers services, including financial and performance improvement, risk management and forensic consulting, economic and public policy consulting, technology and data analytics, and strategic communications.

Real Estate & Infrastructure. Our professionals have the industry expertise and experience to help real estate owners, users, investors and lenders better navigate the real estate market's complexities and manage its inherent risks. We provide such services through our real estate solutions practice within our Corporate Finance & Restructuring segment and our construction solutions practice within our Forensic and Litigation Consulting segment. We represent leading public and private real estate entities and stakeholders, including REITs, financial institutions, investment banks, opportunity funds, insurance companies, hedge funds, pension advisors, owners and developers, offering services that help align strategy with business goals.

Retail & Consumer Products. Our professionals provide a full range of corporate finance, turnaround, restructuring and strategic communications expertise for retailers. We have experience in developing strategies for retail and consumer products companies to address internal and external challenges from inception through maturity. Our professionals have deep industry expertise in critical functional areas to help our clients drive performance, implement plans and engage with key stakeholders that will have sustained results. Our Fast Track™ approach utilizes highly developed frameworks and analytics to identify levers in the retail value equation that can be influenced quickly and serve to fund longer term strategic initiatives that drive shareholder value.

TMT. Our TMT team provides strategic, financial, operational and communications consulting with industry specialists in wireline and wireless telecom, print and digital media, broadcast TV and radio, entertainment and content production, and technology companies of all types, including software, hardware, Internet business models and cloud-based technology. We provide targeted performance improvement strategies and implementation, commercial diligence and transaction advisory, M&A integration, carve-outs and divestitures planning, valuation, interim management, restructuring and strategic communications. We deliver original insights that help clients better understand company performance, consumer behavior, digital substitution, emerging technologies, disruptive trends and stakeholder priorities in our industries.

Transportation. Our professionals provide corporate communications, financial communications, public affairs advice, strategy consulting and research to a broad range of organizations and companies involved in various forms of transportation, including rail, trucking and infrastructure.

Our Business Drivers

Factors that drive demand for our business offerings include:

- ***M&A Activity***. M&A activity is an important driver for all our segments. We offer services for all phases of the M&A process. Our services during the pre-transaction phase include government competition advice and pre-transaction analysis. Our services during the negotiation phase include due diligence, negotiation and other transaction advisory services, government competition and antitrust regulation services, expert advice, asset valuations and financial communications advice. We also offer post-M&A integration and transformation services.

- ***Financial Markets***. Financial market factors, including credit and financing availability, terms and conditions, the willingness of financial institutions to provide debt modifications or relief, corporate debt levels, default rates and capital markets transactions, are significant drivers of demand for our business offerings, particularly our Corporate Finance & Restructuring and Strategic Communications segments.

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

- ***Litigation and Disputes***. Litigation and business disputes, the complexity of the issues presented, and the amount of potential damages and penalties drive demand for the services offered by many of our segments, particularly our Forensic and Litigation Consulting, Economic Consulting and Technology segments. Law firms and their clients, as well as government regulators and other interested third parties, rely on independent outside resources to evaluate claims, facilitate discovery, assess damages, provide expert reports and testimony, manage the pre-trial and in-trial process, and effectively present evidence.

- ***Operational Challenges and Opportunities***. Businesses facing challenges require the evaluation and re-evaluation of strategy, risks and opportunities as a result of crisis-driven situations, competition, regulation, innovation and other events that arise in the course of business. These challenges include enterprise risk management, global expansion, competition from established companies, emerging businesses and technologies doing business in emerging markets, and new and changing regulatory requirements and legislation. Management, companies and their boards need outside help to recognize, understand and evaluate such events and effect change, which drives demand for independent expertise that can combine general business acumen with the specialized technical expertise of our practice offerings and industry expertise. These factors drive demand for various practices and services of all our segments.

- ***Developing Markets***. The growth of multinational firms and global consolidation can precipitate antitrust and competition scrutiny and the spread internationally of issues and practices that historically have been more common in the U.S., such as increased and complex litigation, corporate restructuring and bankruptcy activities, and antitrust and competition scrutiny. Companies in the developing world and multinational companies can benefit from our expert advice to access capital and business markets, comply with the regulatory and other requirements of multiple countries, structure M&A transactions and conduct due diligence, which drives demand for the services of all of our segments.

Our Competitive Strengths

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

- ***Pre-eminent Businesses and Professionals***. We believe that our segments include some of the pre-eminent practices and professionals in our industry today. During 2019, the awards and recognitions received by the Company include the following:

  - FTI Consulting named to *Forbes* magazine's list of America’s Best Management Consulting Firms for the fourth consecutive year, recognized in 16 sectors and functional areas.

  - FTI Consulting named to *Consulting* magazine’s Best Firms to Work For list for the second consecutive year.

  - FTI Consulting recognized as Consulting Firm of the Year by *Who’s Who Legal* for the third consecutive year.

  - Compass Lexecon ranked #1 on *Global Arbitration Review*’s GAR 100 Expert Witness Firms’ Power Index for the second consecutive year.

  - FTI Consulting recognized as Arbitration Expert Firm of the Year by *Who’s Who Legal* for the fifth consecutive year.

  - Compass Lexecon recognized as Competition Economics Firm of the Year by *Who’s Who Legal* for the fifth consecutive year.

  - FTI Consulting and Compass Lexecon led the *Who’s Who Legal* Consulting Experts Guide for the fourth consecutive year with 149 experts recognized.

  - FTI Consulting ranked #1 U.S. Restructuring Advisor by *The Deal* for the 12th consecutive year.

  - FTI Consulting named Public Relations Agency of the Year at the PR World Awards.

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

- ***Diversified Portfolio of Elite Clients***. We provide services to a diverse group of clients, including global Fortune 500 companies, FTSE 100 companies, global financial institutions, banks, and local, state and national governments and agencies in the U.S. and other countries. Additionally, 96 of the 100 law firms as ranked by American Lawyer Global 100: Most Revenue List refer or engage us on behalf of numerous clients on multiple matters.

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

- ***Demand for Integrated Solutions and a Consultative Approach***. Our breadth and depth of practice and service offerings and industry expertise across the globe drive demand by businesses that seek our integrated services and consultative approach covering different aspects of event-driven occurrences, reputational issues and transactions across different jurisdictions.

Our Business Strategy

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

- ***Leverage Our Practitioners, Businesses, Extensive Geographic Diversification and Relationships***. We work hard to maintain and strengthen our core practices and competencies. We believe that our recognized expertise, client relationships and the quality of our reputation, coupled with our successful track record, size and geographic diversity, are the most critical elements in a decision to retain us. Many of our professionals are recognized experts in their respective fields.

- ***Grow Organically***. Our strategy is to grow organically by increasing headcount and market share to provide clients with an attractive and evolving suite of services across our segments, as well as the industries and geographic regions in which we operate.

- ***Attract and Retain Highly Qualified Professionals***. Our professionals are crucial to delivering our services to clients and generating new business. As of December 31, 2019, we employed 4,424 revenue-generating professionals, many of whom have an established and widely recognized name in their respective service and industry specialization. Through our substantial staff of highly qualified professionals, we can handle a large number of complex assignments simultaneously. To attract and retain highly qualified professionals, we offer significant compensation opportunities, including sign-on bonuses, forgivable loans, retention bonuses, cash incentive bonuses and equity compensation, along with a competitive benefits package and the opportunity to work on challenging global engagements with highly skilled peers.

- ***Enhance Profitability***. We endeavor to manage costs, headcount, utilization, bill rates and pricing for both time and materials, and alternative fee arrangements to operate profitably.

- ***Enhance Value through Capital Allocation***. The strength of our balance sheet gives us the flexibility to allocate capital and create shareholder value in numerous ways, including investments in hiring new employees, acquisitions and share repurchases. We consider strategic and opportunistic acquisition opportunities on a selective basis. We seek to integrate completed acquisitions and manage investments in a way that fosters organic growth, expands our geographic presence or complements our segments, practices, services and industry focuses. We typically structure our acquisitions to retain the services of key individuals from the acquired companies.

Our Employees

Our success depends on our ability to attract and retain our expert professional workforce. Our professionals include PhDs, MBAs, JDs, CPAs, CPA-ABVs (CPAs accredited in business valuations), CPA-CFFs (CPAs certified in financial forensics), CRAs (certified risk analysts), Certified Turnaround Professionals, Certified Insolvency and Reorganization Advisors, Certified Fraud Examiners, ASAs (accredited senior appraisers), construction engineers and former senior government officials. We also engage independent contractors to supplement our professionals on client engagements as needed. As of December 31, 2019, we employed 5,567 employees, of which 4,424 were revenue-generating professionals.

Employment Agreements

As of December 31, 2019, we had written employment arrangements with substantially all of our 551 Senior Managing Directors and equivalent personnel (collectively, "SMD"). These arrangements generally provide for fixed salary and participation in incentive payment programs (which, in some cases, may be based on financial measures such as EBITDA or relative total shareholder return), salary continuation benefits, accrued bonuses and other benefits beyond the termination date if an SMD leaves our employment for specified reasons prior to the expiration date of the employment agreement. The length and amount of payments to be paid by us following the termination or resignation of an SMD may vary, depending on whether the person resigned with or without "good reason" or was terminated by us with or without "cause," retired or did not renew, died or became "disabled," or was terminated as a result of a "change in control" (all such terms as defined in such SMD's employment agreement). All of our written employment arrangements with SMDs require some notice period be given by the party prior to termination of employment and include covenants providing for restrictions on the SMDs competing against, and soliciting employees from, the Company for a specified period of time following the end of the SMDs employment.

Incentive and Retention Payments

Our SMDs, consultants and other professionals may receive incentive, retention or sign-on payments, on a case-by-case basis, through unsecured general recourse forgivable loans, equity awards or other payments (collectively, “Retention Awards”). We believe that providing these multi-year Retention Awards greatly enhances our ability to attract and retain our key professionals.

Some or all of the principal amount and accrued interest of the loans we make will be forgiven by us upon the passage of time, or their repayment will be funded by us through additional cash bonus compensation, provided that the recipient is an employee or consultant on the forgiveness date. In addition, upon certain termination events, accrued interest and the outstanding principal balance may be forgiven, including upon death, disability and, in some cases, retirement or termination by the Company without cause or the recipient with good reason, or the recipient may be required to repay the unpaid accrued interest and outstanding principal balance upon certain other termination events such as voluntary resignation, as provided in the applicable promissory note. The value of the forgivable loans we have made, in the aggregate, as well as on an individual basis, has been, and we anticipate will continue to be, significant. Our executive officers and outside directors are not eligible to receive loans, and no loans have been made to them.

Our executive officers, other members of senior management and outside directors, as well as employees and independent service providers, have received and will continue to receive equity awards, which may include stock options and share-based awards (including awards in the form of restricted stock, performance-based restricted stock units, deferred restricted stock units, and cash-settled stock appreciation rights and units), on a case-by-case basis, to the extent that shares are available under our stockholder-approved equity compensation plans. The value of such equity and cash-based awards, in the aggregate, as well as on an individual basis, has been and is expected to continue to be significant.

Recipients of sign-on or other retention payments, other than loans, may be required to repay a portion or all of the original payment upon certain termination events. These awards are typically smaller amounts in nature than forgivable loans and have a shorter service requirement than forgivable loans.

Select SMDs may participate in certain incentive compensation programs, such as the Key Senior Managing Director Incentive Plan (the “KSIP”) or our Senior Managing Director Incentive Compensation Program (the “ICP”) in the U.S., UK and Canada. The ICP was closed to new participants effective January 2015. Participants in the KSIP are recommended by management and approved by the Compensation Committee of the Board of Directors of the Company. The KSIP and ICP provide for a combination of forgivable loans, equity awards and retention bonuses that are paid over an average of six to 10 years depending on the program and economic value of the award. These programs may require participants to defer a portion of their bonus in the form of cash or restricted stock over a two- to three-year period.

Marketing

We rely primarily on our senior professionals to identify and pursue business opportunities. Referrals from clients, law firms and other intermediaries and our reputation from prior engagements are also key factors in securing new business. Our professionals often learn about new business opportunities from their frequent contact and close working relationships with clients. In marketing our services, we emphasize our experience, the quality of our services and our professionals’ particular areas of expertise, as well as our ability to quickly staff new and large engagements. While we aggressively seek new business opportunities, we maintain high professional standards and carefully evaluate potential new client relationships and engagements before accepting them. We also employ or contract with sales professionals who are tasked primarily with marketing the services of our Corporate Finance & Restructuring, Forensic and Litigation Consulting, Technology and Strategic Communications segments.

Clients

During the year ended December 31, 2019, no single client accounted for more than 10% of our consolidated revenues and no reportable segment had a single client that accounted for more than 10% of its respective total revenues. In some cases, we may have engagements through law firms that represent a larger percentage of our consolidated revenues or the revenues of a segment; however, each law firm engages us on behalf of multiple clients.

Competition

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

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

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

Our Forensic and Litigation Consulting segment primarily competes with other large consulting companies and global accounting firms with service offerings similar to ours.

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

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

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

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

Patents, Licenses and Trademarks

We hold no U.S., Canadian or international patents, and have no patents, applications or provisional patents pending.

We consider the Acuity®, Radiance™ and our other technologies and software to be proprietary and confidential. We consider our TrialMax® comprehensive trial preparation software to be proprietary and confidential. Our software and technology are not protected by patents. We rely upon U.S. and international copyright laws, non-disclosure agreements and contractual agreements, internal controls, including confidentiality and invention disclosure agreements with our employees and independent contractors, and license agreements with third parties to protect our proprietary information, software and other works. Despite these safeguards, there is a risk that competitors may obtain and seek to use such intellectual property.

We have also developed marketing language such as “Critical Thinking at the Critical Time®” and “Experts with Impact™” and other trademarks, logos and designs. In some cases, but not all, the trademarks have been registered in the U.S. and/or foreign jurisdictions or, in some cases, applications have been filed and are pending. Certain FTI Consulting and Compass-formative marks’ are used pursuant to certain co-existence, consent and/or settlement agreements. We believe we take the appropriate steps to protect our trademarks and brands.

Corporate Information

We incorporated under the laws of the state of Maryland in 1982. We are a publicly traded company with common stock listed on the New York Stock Exchange (the "NYSE") under the symbol FCN. Our executive offices are located at 555 12th Street NW, Washington, D.C. 20004. Our telephone number is 202-312-9100. Our website is *http://www.fticonsulting.com*.

Financial Information on Industry Segments and Geographic Areas

We manage and report operating results through five reportable segments. We also administratively manage our business regionally. See "Risk Factors — Risks Related to Our Operations" for a discussion of risks related to international operations. See Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Note 19, "Segment Reporting" in Part II, Item 8 of this Annual Report for a discussion of revenues, net income and total assets by business segment and revenues for the U.S., UK and all other foreign countries as a group.

Available Information

We make available, free of charge, on or through our website at *http://www.fticonsulting.com*, our annual, quarterly and current reports and any amendments to those reports, our proxy statements, as well as our other filings with the SEC, as soon as reasonably practicable after electronically filing them with the SEC. Information posted on our website is not part of this Annual Report or any other report filed with the SEC in satisfaction of the requirements of the Exchange Act. Copies of this Annual Report, as well as other periodic reports filed with the SEC, may also be requested at no charge from our Corporate Secretary at FTI Consulting, Inc., 6300 Blair Hill Lane, Suite 303, Baltimore, MD 21209, telephone number 410-591-4867.

ITEM 1A.   RISK FACTORS

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

Risks Related to Our Reportable Segments

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

Different factors outside of our control could affect demand for a segment's practices and our services. These include:

- fluctuations in U.S. and/or global economies, including economic downturns or recessions and the strength and rate of any general economic recoveries;
- the U.S. or global financial markets and the availability, costs, and terms of credit and credit modifications;
- level of leverage incurred by countries or businesses;
- M&A activity;
- frequency and complexity of significant commercial litigation;
- overexpansion by businesses causing financial difficulties;
- business and management crises, including the occurrence of alleged fraudulent or illegal activities and practices;
- new and complex laws and regulations, repeals of existing laws and regulations or changes of enforcement of laws, rules and regulations, including antitrust/competition reviews of proposed M&A transactions;
- other economic, geographic or political factors; and
- general business conditions.

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

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

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

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

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

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

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

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

Factors that could negatively affect utilization in our segments include:

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

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

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

Technology — The settlement of litigation; a decline in volume and complexity of litigation proceedings and governmental investigations; and volume and timing of M&A activities and degree of enforcement of antitrust regulations.

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

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

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

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

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

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

Our Technology segment is facing significant competition from other consulting and/or software providers specializing in e-discovery, ESI and the management of electronic content. There continues to be consolidation of companies providing products and services similar to those offered by our Technology segment, which may provide competitors access to greater financial and other resources than those of the Company. Larger competitors may be able to react more quickly to new regulatory or legal requirements and other changes, or innovate more quickly and efficiently. Our Technology segment has been experiencing increasing competition from companies providing similar services at lower prices, particularly with respect to hosting and e-discovery services.

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

Unauthorized use and misuse of our proprietary IP by employees or third parties could have a material adverse effect on our business, financial condition and results of operations. The available legal remedies for unauthorized or misuse of our proprietary IP may not adequately compensate us for the damages caused by unauthorized use.

Our segments face certain risks relating to cybersecurity and the failure to protect the confidentiality of client information against misuse or disclosure.

Our reputation for maintaining the confidentiality of proprietary, confidential and trade secret information is critical to the success of our segments. In addition, our Technology segment is dependent on providing secure information storage to host client information as a service. We routinely face cyber-based attacks and attempts by hackers and similar unauthorized users to gain access to or corrupt our information technology systems, which so far, to our knowledge, have been unsuccessful. Such attacks could disrupt our business operations, cause us to incur unanticipated losses or expenses, and result in unauthorized disclosures of confidential or proprietary information. We expect to continue to face such attempts. Although we seek to prevent, detect and investigate these network security incidents, and take steps to mitigate the likelihood of network security breaches, there can be no assurance that attacks by unauthorized users will not be attempted in the future or that our security measures will be effective. If we fail to effectively protect the confidentiality of our clients' or our own IP and proprietary information from disclosure or misuse by our employees, contractors or third parties, the financial results of the affected segment or the Company would be adversely affected. There is no certainty that we can maintain the confidentiality or prevent the misuse of our or our client information.

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

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

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

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

Risks Related to Our Operations

Our international operations involve special risks.

Our international operations involve financial and business risks that differ from or are in addition to those faced by our U.S. operations, including:

- cultural and language differences;
- limited "brand" recognition;
- different employment laws and rules, employment or service contracts, compensation methods, and social and cultural factors that could result in employee turnover, lower utilization rates, higher costs and cyclical fluctuations in utilization that could adversely affect financial and operating results;

- foreign currency disruptions and currency fluctuations between the U.S. dollar and foreign currencies that could adversely affect financial and operating results;
- different legal and regulatory requirements and other barriers to conducting business;
- greater difficulties in resolving the collection of receivables when legal proceedings are necessary;
- greater difficulties in managing our non-U.S. operations, including client relationships, in certain locations;
- disparate systems, policies, procedures and processes;
- failure to comply with the FCPA and anti-bribery laws of other jurisdictions;
- higher operating costs;
- longer sales and/or collections cycles;
- potential restrictions or adverse tax consequences for the repatriation of foreign earnings, such as trapped foreign losses and importation or withholding taxes;
- different or less stable political and/or economic environments;
- potential increased regulatory and legal complexities surrounding uncertainties related to the UK's exit from the European Union, commonly referred to as Brexit;
- conflicts between and among the U.S. and countries in which we conduct business, including those arising from trade disputes or disruptions, the termination or suspension of treaties, or boycotts;
- civil disturbances or other catastrophic events that reduce business activity; and
- political interference with our ability to conduct business in the applicable jurisdiction.

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

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

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

We may be required to recognize goodwill impairment charges, which could materially affect our financial results.

We assess our goodwill, trademarks and other intangible assets, as well as our other long-lived assets as and when required by GAAP to determine whether they are impaired and, if they are, to record appropriate impairment charges. Factors we consider include significant underperformance relative to expected historical or projected future operating results and significant negative industry or economic trends. We have previously recorded impairment charges to the carrying value of goodwill of certain of our segments, and it is possible that we may be required to record significant impairment charges in the future. Such charges have had and could have an adverse impact on our results of operations.

Risks Related to Our People

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

We deliver sophisticated professional services to our clients. Our success is dependent, in large part, on our ability to keep our supply of skills and resources in balance with client demand around the world. To attract and retain clients, we need to demonstrate professional acumen and build trust and strong relationships. Our professionals have highly specialized skills. They also develop strong bonds with the clients they serve. Our continued success depends upon our ability to attract and retain professionals who have expertise, a good reputation and client relationships critical to maintaining and developing our business. We face intense competition in recruiting and retaining highly qualified professionals to drive our organic growth and support expansion of our services and geographic footprint. We cannot assure that we will be able to attract or retain qualified professionals to maintain or expand our business. If we are unable to successfully integrate, motivate and retain qualified professionals, our ability to continue to secure work may suffer. Moreover, competition has caused our costs of retaining and hiring qualified professionals to increase, a trend that could continue and could adversely affect our operating margins and financial results.

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

Headcount reductions to manage costs during periods of reduced demand for our services could have negative impacts on our business over the longer term.

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

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

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

We also provide significant additional payments under the KSIP and annual recurring equity or cash awards under the ICP, the Executive Committee incentive compensation arrangements and other compensation programs, including awards in the form of restricted stock and other stock- or cash-based awards or, alternatively, cash if we do not have adequate equity securities available under stockholder-approved equity plans.

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

We rely heavily on our executive officers and the heads of our operating segments and industry leaders for the success of our business.

We rely heavily on our executive officers and the heads of our operating segments, regional locations and industries to manage our operations. Given the highly specialized nature of our services and the scale of our operations, our executive officers and the heads of our operating segments and industry and regional leaders must have a thorough understanding of our service offerings, as well as the skills and experience necessary to manage a large organization in diverse geographic locations. We are unable to predict with certainty the impact that leadership transitions may have on our business operations, prospects, financial results, client relationships, or employee retention or morale.

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

Our professionals typically have close relationships with the clients they serve, based on their expertise and bonds of personal trust and confidence. Therefore, the barriers to our professionals pursuing independent business opportunities or joining our competitors should be considered low. Although our clients generally contract for services with us as a company, and not with an individual professional, in the event that a professional leaves, such clients may decide that they prefer to continue working with a specific professional rather than with our Company. Substantially all of our written employment arrangements with our Senior Managing Directors and equivalent employees include non-competition and non-solicitation covenants. These restrictions have generally been drafted to comply with state “reasonableness” standards. However, states generally interpret restrictions on competition narrowly and in favor of employees. Therefore, a state may hold certain restrictions on competition to be unenforceable. In the case of employees outside the U.S., we draft non-competition provisions in an effort to comply with applicable foreign law. In the event an employee departs and acts in a way that we believe violates his or her non-competition or non-solicitation agreement, we will consider any legal remedies we may have against such person on a case-by-case basis. We may decide that preserving cooperation and a professional relationship with a former employee or client, or other concerns, outweighs the benefits of any possible legal recourse. We may also decide that the likelihood of success does not justify the costs of pursuing a legal remedy. Therefore, there may be times we may decide not to pursue legal action, even if it is available to us.

Risks Related to Our Client Relationships

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

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

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

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

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

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

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

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

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

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

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

Failures of our internal information technology systems controls.

Our reputation for providing secure information storage and maintaining the confidentiality of proprietary, confidential and trade secret information is critical to the success of our businesses, especially our Technology segment, which hosts client information as a service. We routinely face cyber-based attacks and attempts by hackers and similar unauthorized users to gain access to or corrupt our information technology systems, which so far, to our knowledge, have been unsuccessful. Such attacks could disrupt our business operations, cause us to incur unanticipated losses or expenses, and result in unauthorized disclosures of confidential or proprietary information. We expect to continue to face such attempts. Although we seek to prevent, detect and investigate these network security incidents and have taken steps to mitigate the likelihood of network security breaches, there can be no assurance that attacks by unauthorized users will not be attempted in the future or that our security measures will be effective.

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

The Company's own confidential and proprietary information and that of our clients could be compromised, whether intentionally or unintentionally, by our employees, consultants or vendors. A compromise of the security of our information technology systems leading to theft or misuse of our own or our clients' proprietary or confidential information, or the public disclosure or use of such information by others, could result in losses, third-party claims against us and reputational harm, including the loss of clients. The theft or compromise of our or our clients' information could negatively impact our reputation, financial results and prospects. In addition, if our reputation is damaged due to a data security breach, our ability to attract new engagements and clients may be impaired or we may be subjected to damages or penalties, which could negatively impact our businesses, financial results or financial condition.

Governmental focus on data privacy and security could increase our costs of operations.

In reaction to publicized incidents in which electronically stored personal and other information has been lost, accessed or stolen, or transmitted by or to third parties without permission, U.S. and non-U.S. governmental authorities have proposed or adopted or are considering proposing or adopting data security and/or data privacy statutes or regulations. Continued governmental focus on data security and privacy may lead to additional legislative and regulatory action, which could increase the complexity of doing business in the U.S. or the applicable jurisdiction. The increased emphasis on information security and the requirements to comply with applicable U.S. and foreign data security and privacy laws and regulations may increase our costs of doing business and negatively impact our financial results.

Risks Related to Competition

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

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

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

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

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

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

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

Risks Related to Acquisitions

We will consider future strategic or opportunistic acquisitions. In those cases, some or all of the following risks could be applicable.

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

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

Acquisitions also may involve a number of special financial, business and operational risks, such as:

- difficulties in integrating diverse corporate cultures and management styles;
- disparate policies and practices;
- client relationship issues;
- decreased utilization during the integration process;
- loss of key existing or acquired personnel;
- increased costs to improve or coordinate managerial, operational, financial and administrative systems;
- dilutive issuances of equity securities, including convertible debt securities, to finance acquisitions;
- the assumption of legal liabilities;
- future earn-out payments or other price adjustments;
- potential future write-offs relating to the impairment of goodwill or other acquired intangible assets or the revaluation of assets;
- difficulty or inability to collect receivables; and
- undisclosed liabilities.

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

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

The Company may also hire groups of selected professionals from another company. In such event, there may be restrictions on the ability of the professionals who join the Company to compete and work on client engagements. In addition, the Company may enter into arrangements with the former employers of those professionals regarding limitations on their work until any time restrictions pass. In such circumstances, there is no assurance that the Company will enter into mutually agreeable arrangements with any former employer, and the utilization of such professionals may be limited, and our financial results could be negatively affected until their restrictions end. The Company could also face litigation risks from group hires.

We may be unable to take advantage of opportunistic acquisition situations, which may adversely affect our ability to expand or diversify our business.

At the time an acquisition opportunity presents itself, internal and external pressures (including, but not limited to, competition for such acquisition, the cost of such acquisition, borrowing capacity under our senior secured bank revolving credit facility (as amended and restated on November 30, 2018, the "Credit Facility") or the availability and cost of alternative financing) may cause us to be unable to pursue or complete an acquisition.

An acquisition may not be accretive in the near term or at all.

Competitive market conditions may require us to pay a price that represents a higher multiple of revenues or profits for an acquisition. As a result of these competitive dynamics, cost of the acquisition or other factors, certain acquisitions may not be accretive to our overall financial results at the time of the acquisition or at all.

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

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

Due to fluctuations in our stock price, acquisition candidates may be reluctant to accept shares of our common stock as purchase price consideration, use of our shares as purchase price consideration may be dilutive or the owners of certain companies we seek to acquire may insist on stock price guarantees.

We may structure an acquisition to pay a portion of the purchase price in shares of our common stock. The number of shares issued as consideration is typically based on an average closing price per share of our common stock for a number of days prior to the closing of such acquisition. We believe that payment in the form of shares of common stock of FTI Consulting provides the acquired entity and its principals with a vested interest in the future success of the acquisition and the Company. Stock market volatility, generally, or FTI Consulting's stock price volatility, specifically, may result in acquisition candidates being reluctant to accept our shares as consideration. In such cases, we may have to issue more shares if stock constitutes part of the consideration, offer stock price guarantees, pay the entire purchase price in cash or negotiate an alternative price structure. The result may be an increase in the cost of an acquisition.

Certain past acquisition-related agreements have contained stock price guarantees that resulted in cash payments in the future if the price per share of FTI Consulting common stock fell below a specified per share market value on the date restrictions lapse. There is no assurance that an acquisition candidate will not negotiate stock price guarantees with respect to a future acquisition, which may increase the cost of such acquisition.

Risks Related to Our Indebtedness

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

Our Credit Facility, or our other indebtedness outstanding from time to time, contains or may contain operating covenants that may, subject to exceptions, limit our ability and the ability of our subsidiaries to, among other things:

- create, incur or assume certain liens;
- make certain restricted payments, investments and loans;
- create, incur or assume additional indebtedness or guarantees;
- create restrictions on the payment of dividends or other distributions to us from our restricted subsidiaries;
- engage in M&A transactions, consolidations, sale-leasebacks, joint ventures, and asset and security sales and dispositions;
- pay dividends or redeem or repurchase our capital stock;
- alter the business that we and our subsidiaries conduct;
- engage in certain transactions with affiliates;
- modify the terms of certain indebtedness;
- prepay, redeem or purchase certain indebtedness; and

- make material changes to accounting and reporting practices.

In addition, the Credit Facility includes a financial covenant that requires us not to exceed a maximum consolidated total net leverage ratio (the ratio of funded debt (less unrestricted cash up to $150.0 million) to Consolidated EBITDA, as defined in the Credit Facility).

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

Despite our current level of indebtedness, we and our subsidiaries may still incur significant additional indebtedness, which could further exacerbate the risks associated with our substantial indebtedness.

Our current level of indebtedness could have important consequences on our future operations. We and our subsidiaries may be able to incur substantial additional indebtedness, including additional secured indebtedness, in the future. The terms of the indenture, dated as of August 20, 2018, between us and U.S. Bank National Association, as trustee (the "Indenture") governing the 2.0% Convertible Senior Notes due 2023 (the “2023 Convertible Notes”) do not restrict us from incurring additional debt, securing existing or future debt, recapitalizing our debt or taking a number of other actions that are not limited by the terms of the Indenture. The terms of the agreements governing our Credit Facility and other indebtedness limit, but do not prohibit, us from incurring additional indebtedness.

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

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

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

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

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

Substantially all of our U.S. subsidiaries guarantee our obligations under our Credit Facility, and substantially all of their assets are pledged as collateral for the Credit Facility. Future U.S. subsidiaries will be required to provide similar guarantees under the Credit Facility. If we default on any guaranteed indebtedness, our U.S. subsidiaries could be required to make payments under their guarantees, and our senior secured creditors could foreclose on our U.S. subsidiaries’ assets to satisfy unpaid obligations, which would materially adversely affect our business and financial results.

We may not have the ability to raise the funds necessary to settle conversions of the 2023 Convertible Notes or to repurchase the 2023 Convertible Notes upon a fundamental change, and the agreements governing our other indebtedness contain, and our future debt may contain, limitations on our ability to pay cash upon conversion or repurchase of the 2023 Convertible Notes.

Holders of the 2023 Convertible Notes will have the right to require us to repurchase their 2023 Convertible Notes upon the occurrence of a fundamental change at a fundamental change repurchase price equal to 100% of the principal amount of the 2023 Convertible Notes to be repurchased, plus any accrued and unpaid interest. In addition, upon conversion of the 2023 Convertible Notes, unless we elect to deliver solely shares of our common stock to settle such conversion (other than paying cash in lieu of delivering any fractional share), we will be required to make cash payments in respect of the 2023 Convertible Notes being converted in accordance with the terms of the Indenture governing the 2023 Convertible Notes. However, we may not have enough available cash or be able to obtain financing at the time we are required to make repurchases of the 2023 Convertible Notes. Our Credit Facility prohibits us from making any cash payments on the conversion or repurchase of the 2023 Convertible Notes if a default or an event of default under that facility exists or would result from such conversion or repurchase, or if, after giving effect to such conversion or repurchase (and any additional indebtedness incurred in connection with such conversion or a repurchase), we would not be in pro forma compliance with certain financial tests under that the Credit Facility.

Any new credit facility that we may enter into may have similar restrictions. In addition, our ability to repurchase the 2023 Convertible Notes or to pay cash upon conversions of the 2023 Convertible Notes may be limited by law, by regulatory authority or by agreements governing our future indebtedness. Our failure to repurchase the 2023 Convertible Notes at a time when the repurchase is required by the Indenture or to pay any cash payable on future conversions of the Notes as required by the Indenture would constitute a default under the Indenture. A default under the Indenture or the fundamental change itself could also lead to a default under agreements governing our existing and future indebtedness. If the repayment of the related indebtedness were to be accelerated after any applicable notice or grace periods, we may not have sufficient funds to repay the indebtedness and repurchase the 2023 Convertible Notes or make cash payments upon conversions thereof.

The conditional conversion feature of the 2023 Convertible Notes, if triggered, may adversely affect our financial condition and operating results.

In the event the conditional conversion feature of the 2023 Convertible Notes is triggered, holders of the 2023 Convertible Notes will be entitled to convert the 2023 Convertible Notes at their option at any time during specific periods listed in the Indenture governing the 2023 Convertible Notes. If one or more holders elect to convert their 2023 Convertible Notes, unless we elect to satisfy our conversion obligation by delivering solely shares of our common stock (other than paying cash in lieu of delivering any fractional share), we would be required to settle a portion or all of our conversion obligation through the payment of cash, which could adversely affect our liquidity. In addition, even if holders do not elect to convert their 2023 Convertible Notes, we could be required under applicable accounting rules to reclassify all or a portion of the outstanding principal of the 2023 Convertible Notes as a current rather than long-term liability, which would result in a material reduction of our net working capital.

The accounting method for convertible debt securities that may be settled in cash, such as the 2023 Convertible Notes, could have a material effect on our reported financial results.

Under Accounting Standards Codification 470-20, Debt with Conversion and Other Options (“ASC 470-20”), an entity must separately account for the liability and equity components of convertible debt instruments (such as the 2023 Convertible Notes) that may be settled entirely or partially in cash upon conversion in a manner that reflects the issuer’s economic interest cost. The effect of ASC 470-20 on the accounting for the 2023 Convertible Notes is that the equity component is required to be included in the additional paid-in capital section of stockholders’ equity on our consolidated balance sheet, and the value of the equity component would be treated as original issue discount for purposes of accounting for the debt component of the 2023 Convertible Notes. As a result, we will be required to record a greater amount of non-cash interest expense in current periods presented as a result of the amortization of the discounted carrying value of the 2023 Convertible Notes to their face amount over the term of the 2023 Convertible Notes. We will report lower net income in our financial results because ASC 470-20 will require interest to include both the current period’s amortization of the debt discount and the instrument’s coupon interest, which could adversely affect our reported or future financial results, the trading price of our common stock and the trading price of the 2023 Convertible Notes.

In addition, under certain circumstances, convertible debt instruments (such as the 2023 Convertible Notes) that may be settled entirely or partly in cash are currently accounted for utilizing the treasury stock method, the effect of which is that the shares issuable upon conversion of the 2023 Convertible Notes are not included in the calculation of diluted earnings per share, except to the extent that the conversion value of the 2023 Convertible Notes exceeds their principal amount. Under the treasury stock method, for diluted earnings per share purposes, the transaction is accounted for as if the number of shares of common stock that would be necessary to settle such excess, if we elected to settle such excess in shares, is issued. We cannot be sure that the accounting standards in the future will continue to permit the use of the treasury stock method. If we are unable to use the treasury stock method in accounting for the shares issuable upon conversion of the 2023 Convertible Notes, then our diluted earnings per share would be adversely affected.

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

Borrowings under our Credit Facility will be at variable rates of interest, which expose us to interest rate risk. If interest rates increase, our debt service obligations on the variable rate indebtedness would increase even though the amount borrowed remained the same, and our cash flow could be adversely affected. An increase in debt service obligations under our variable rate indebtedness could affect our ability to make payments required under the terms of the agreements governing our indebtedness or our other indebtedness outstanding from time to time.

In July 2017, the Financial Conduct Authority of the United Kingdom, which regulates the London Interbank Offering Rate (“LIBOR”), announced that it intends to stop compelling banks to submit rates for the calculation of LIBOR after 2021. Our Credit Facility, which was undrawn at December 31, 2019, is indexed to LIBOR and may be used in the future. Although our borrowing arrangement provides for alternative base rates, such alternative base rates and the consequences of the phase out of LIBOR cannot be entirely predicted at this time. An alternative base rate could be higher or more volatile than LIBOR prior to its discontinuance, which could result in an increase in the cost of our indebtedness, impact our ability to refinance some or all of our existing indebtedness or otherwise have a material adverse impact on our business, financial condition and results of operations. Furthermore, there can be no assurance given as to whether LIBOR will actually cease to be available after 2021 or whether an alternative rate will become the market benchmark in its place.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

Our executive offices located in Washington, D.C., consist of 100,511 square feet under a lease expiring April 2028. Our principal corporate office located in Bowie, Maryland, consists of 30,835 square feet under a lease expiring April 2028. We also lease offices to support our operations in 46 other cities across the U.S., including New York, Chicago, Denver, Houston, Dallas, Los Angeles and San Francisco, and we lease office space to support our international locations in 26 countries — the United Kingdom, Ireland, Finland, France, Germany, Spain, Belgium, Israel, Australia, Malaysia, China (including Hong Kong), Japan, Singapore, the United Arab Emirates, South Korea, South Africa, Argentina, Brazil, Colombia, Mexico, Canada, Indonesia, India, Qatar, the Cayman Islands and the British Virgin Islands. We believe our existing leased facilities are adequate to meet our current requirements and that suitable space will be available as needed.

ITEM 3. LEGAL PROCEEDINGS

From time to time in the ordinary course of business, we are subject to claims, asserted or unasserted, or named as a party to lawsuits or investigations. Litigation, in general, and IP and securities litigation, in particular, can be expensive and disruptive to normal business operations. Moreover, the results of legal proceedings cannot be predicted with any certainty, and in the case of more complex legal proceedings, such as IP and securities litigation, the results are difficult to predict at all. We evaluate litigation claims and legal proceedings to assess the likelihood of unfavorable outcomes and to estimate, if possible, the amount of potential losses. Based on these assessments and estimates, we establish reserves and/or disclose the relevant litigation claims or legal proceedings, as appropriate. These assessments and estimates are based on the information available to management at the time and involve a significant amount of management judgment. Actual outcomes or losses may differ materially from those anticipated at the time. We currently are not aware of any asserted or unasserted legal proceedings or claims that we believe would have a material adverse effect on our financial condition or results of our operations.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

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

Common Stock

Our common stock currently trades on the NYSE under the symbol FCN. As of January 31, 2020, the number of holders of record of our common stock was 196.

Securities Authorized for Issuance under Equity Compensation Plans

The following table includes the number of shares of common stock of the Company authorized or to be issued upon exercise of outstanding options, warrants and rights awarded under our employee equity compensation plans as of December 31, 2019.

Plan Category	(a) Number of Securities to Be Issued upon Exercise of Outstanding Options, Warrants and Rights		(b) Weighted Average Exercise Price of Outstanding Options, Warrants and Rights	(c) Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a))	
			(in thousands, except per share data)		
Equity compensation plans approved by our security holders	624	(1)	$ 35.91	1,396	(3)
Equity compensation plans not approved by our security holders	54	(2)	36.75	—	
Total	678		$ 35.98	1,396	

(1) Includes up to (i) 35,708 shares of common stock issuable upon vesting and exercise of outstanding stock options granted under our 2006 Global Long-Term Incentive Plan (as Amended and Restated Effective as of May 14, 2008) and (ii) 589,223 shares of common stock issuable upon vesting and exercise of outstanding stock options granted under our 2009 Omnibus Incentive Compensation Plan (as Amended and Restated Effective as of June 3, 2015).

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

(3) Includes 1,396,183 shares of common stock available for issuance under our 2017 Omnibus Incentive Compensation Plan, all of which are available for stock-based awards.

Sales of Unregistered Securities

None.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

The following table provides information with respect to purchases we made of our common stock during the fourth quarter of 2019.

	Total Number of Shares Purchased		Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Program [1]		Approximate Dollar Value That May Yet Be Purchased Under the Program
	(in thousands, except per share data)					
October 1 through October 31, 2019	44	[2]	$ 108.26	40	[5]	$ 90,312
November 1 through November 30, 2019	203	[3]	$ 107.54	198	[6]	$ 69,022
December 1 through December 31, 2019	23	[4]	$ 108.52	22	[7]	$ 66,641
Total	270			260		

(1) On June 2, 2016, our Board of Directors authorized a stock repurchase program of up to $100.0 million (the "Repurchase Program"). On each of May 18, 2017, December 1, 2017 and February 21, 2019, our Board of Directors authorized an additional $100.0 million, respectively, increasing the Repurchase Program to an aggregate authorization of $400.0 million. No time limit has been established for the completion of the Repurchase Program and the Repurchase Program may be suspended, discontinued, or replaced by the Board of Directors at any time without prior notice. During the year ended December 31, 2019, we repurchased an aggregate of 1,258,420 shares of our outstanding common stock under the Repurchase Program at an average repurchase price of $84.16 per share for a total cost of approximately $105.9 million.

(2) Includes 4,328 shares of common stock withheld to cover payroll tax withholdings related to the lapse of restrictions on restricted stock.

(3) Includes 4,518 shares of common stock withheld to cover payroll tax withholdings related to the lapse of restrictions on restricted stock.

(4) Includes 1,311 shares of common stock withheld to cover payroll tax withholdings related to the lapse of restrictions on restricted stock.

(5) During the month ended October 31, 2019, we repurchased and retired 40,000 shares of common stock, at an average per share price of $107.99, for an aggregate cost of $4.3 million.

(6) During the month ended November 30, 2019, we repurchased and retired 197,868 shares of common stock, at an average per share price of $107.58, for an aggregate cost of $21.3 million.

(7) During the month ended December 31, 2019, we repurchased and retired 21,955 shares of common stock, at an average per share price of $108.40, for an aggregate cost of $2.4 million.

ITEM 6. SELECTED FINANCIAL DATA

We derived the selected financial data presented below for the periods or dates indicated from our consolidated financial statements. The data below should be read in conjunction with our consolidated financial statements, related notes and other financial information appearing in Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Part II, Item 8 of this Annual Report.

A number of factors have caused our results of operations and financial position to vary significantly from one year to the next and can make it difficult to evaluate period-to-period comparisons because of a lack of comparability. The most significant of these factors include: acquisitions, goodwill impairment charges, special charges and stock repurchases.

Income Statement, Balance Sheet and Stockholders' Equity Data

	Year Ended December 31,				
	2019	2018	2017	2016	2015
	(in thousands, except per share data)				
Income Statement Data					
Revenues	$ 2,352,717	$ 2,027,877	$ 1,807,732	$ 1,810,394	$ 1,779,149
Operating expenses					
Direct cost of revenues	1,534,896	1,328,074	1,215,560	1,210,771	1,171,444
Selling, general and administrative expenses	504,074	465,636	432,013	436,716	431,468
Special charges	—	—	40,885	10,445	—
Amortization of other intangible assets	8,152	8,162	10,563	10,306	11,726
	2,047,122	1,801,872	1,699,021	1,668,238	1,614,638
Operating income	305,595	226,005	108,711	142,156	164,511
Other income (expense)					
Interest income and other	2,061	4,977	3,752	10,466	3,232
Interest expense	(19,206)	(27,149)	(25,358)	(24,819)	(42,768)
Gain on sale of business	—	13,031	—	—	—
Loss on early extinguishment of debt	—	(9,072)	—	—	(19,589)
Income before income tax provision (benefit)	288,450	207,792	87,105	127,803	105,386
Income tax provision (benefit)	71,724	57,181	(20,857)	42,283	39,333
Net income	$ 216,726	$ 150,611	$ 107,962	$ 85,520	$ 66,053
Earnings per common share — basic	$ 5.89	$ 4.06	$ 2.79	$ 2.09	$ 1.62
Earnings per common share — diluted	$ 5.69	$ 3.93	$ 2.75	$ 2.05	$ 1.58
Weighted average number of common shares outstanding					
Basic	36,774	37,098	38,697	40,943	40,846
Diluted	38,111	38,318	39,192	41,709	41,729

	December 31,				
	2019	2018	2017	2016	2015
	(in thousands)				
Balance Sheet Data					
Cash and cash equivalents	$ 369,373	$ 312,069	$ 189,961	$ 216,158	$ 149,760
Working capital [(1)]	$ 566,124	$ 482,783	$ 383,851	$ 404,716	$ 394,548
Total assets	$ 2,783,142	$ 2,379,121	$ 2,257,241	$ 2,225,368	$ 2,229,018
Long-term debt, net	$ 275,609	$ 265,571	$ 396,284	$ 365,528	$ 494,772
Stockholders' equity	$ 1,489,142	$ 1,348,825	$ 1,191,971	$ 1,207,358	$ 1,147,603

(1) Working capital is defined as current assets less current liabilities.

	Year Ended December 31,				
	2019	2018	2017	2016	2015
	(in thousands)				
Stockholders' Equity Data					
Shares of common stock repurchased and retired	1,258	952	4,674	537	765
Total cost	$ 105,915	$ 55,722	$ 168,001	$ 21,479	$ 26,516

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following is a discussion and analysis of our consolidated financial condition, results of operations, liquidity and capital resources for each of the two years in the period ended December 31, 2019 and significant factors that could affect our prospective financial condition and results of operations. This discussion should be read in conjunction with our consolidated financial statements and notes included in Part II, Item 8, “Financial Statements and Supplementary Data” of this Annual Report on Form 10-K (the “Annual Report”). For a similar discussion and analysis of our results for the year ended December 31, 2018 compared to our results for the year ended December 31, 2017, refer to Part II, Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” of our Annual Report on Form 10-K for the year ended December 31, 2018, filed with the SEC on February 27, 2019. Historical results and any discussion of prospective results may not indicate our future performance.

Business Overview

FTI Consulting is a global business advisory firm dedicated to helping organizations manage change, mitigate risk and resolve disputes: financial, legal, operational, political and regulatory, reputational and transactional. Individually, each of our practices is staffed with experts recognized for the depth of their knowledge and a track record of making an impact. Collectively, FTI Consulting offers a comprehensive suite of services designed to assist clients across the business cycle, from proactive risk management to rapid response to unexpected events and dynamic environments.

We report financial results for the following five reportable segments:

Our **Corporate Finance & Restructuring (“Corporate Finance”)** segment focuses on the strategic, operational, financial, transactional and capital needs of our clients around the world and delivers a wide range of service offerings related to restructuring, business transformation and transactions. Our restructuring practice includes corporate restructuring, including bankruptcy and interim management services. Our business transformation and transactions practices include financial, operational and performance improvement services, as well as due diligence, financing advisory, mergers and acquisitions ("M&A") advisory, M&A integration, carveout support and valuations.

Our **Forensic and Litigation Consulting (“FLC”)** segment provides law firms, companies, government clients and other interested parties with multidisciplinary and independent services related to risk advisory, investigations and disputes. We have expertise in anti-corruption/anti-money laundering investigations and compliance, cybersecurity, data analytics, export controls and sanctions, and monitorship. We offer specialized industry expertise in the areas of insurance, construction, healthcare, environmental and trial services.

Our **Economic Consulting** segment provides law firms, companies, government entities and other interested parties with analysis of complex economic issues for use in legal, regulatory and international arbitration proceedings, strategic decision making and public policy debates in the United States ("U.S.") and around the world.

Our **Technology** segment provides companies and law firms with a comprehensive and global portfolio of consulting and services for information governance, privacy and security, electronic discovery ("e-discovery") and insight analytics. Our consulting expertise enables clients to more confidently govern, secure, find, analyze and rapidly understand their data in the context of compliance and risk.

Our **Strategic Communications** segment designs and executes communications strategies for CEOs, management teams and boards of directors that help them seize opportunities, manage financial, regulatory and reputational challenges, navigate market disruptions, articulate their corporate brand, stake a competitive position and preserve their freedom to operate.

We derive substantially all of our revenues from providing professional services to both U.S. and global clients. Most of our services are rendered under time and expense arrangements that obligate the client to pay us a fee for the hours that we incur at agreed-upon rates. Under this arrangement, we typically bill our clients for reimbursable expenses, which may include the cost of producing our work product and other direct expenses that we incur on behalf of the client, such as travel costs. We also render services for which certain clients may be required to pay us a fixed-fee or recurring retainer. These arrangements are generally cancelable at any time. Some of our engagements contain performance-based arrangements in which we earn a contingent or success fee when and if certain predefined outcomes occur. This type of success fee may supplement a time and expense or fixed-fee arrangement. Success fee revenues may cause variations in our revenues and operating results due to the timing of when achieving the performance-based criteria becomes probable. Seasonal factors, such as the timing of our employees’ and clients’ vacations and holidays, may impact the timing of our revenues across our segments.

In our Technology segment, certain clients are billed based on the amount of data storage used or the volume of information processed. Unit-based revenues are defined as revenues billed on a per item, per page or some other unit-based method and include revenues from data processing and hosting. Unit-based revenues include revenues associated with the software products that are made available to customers via a web browser (“on-demand”). On-demand revenues are charged on a unit or monthly basis and include, but are not limited to, processing and review related functions.

Our financial results are primarily driven by:

- the number, size and type of engagements we secure;
- the rate per hour or fixed charges we charge our clients for services;
- the utilization rates of the revenue-generating professionals we employ;
- the timing of revenue recognition related to revenues subject to certain performance-based contingencies;
- the number of revenue-generating professionals;
- licensing of our software products and other technology services;
- the types of assignments we are working on at different times;
- the length of the billing and collection cycles; and
- the geographic locations of our clients or locations in which services are rendered.

We define acquisition growth as revenues of acquired companies in the first 12 months following the effective date of an acquisition. Our definition of organic growth is the change in revenues, excluding the impact of all such acquisitions.

When significant, we identify the estimated impact of foreign currency (“FX”) driven by our businesses with functional currencies other than the U.S. dollar (“USD”). The estimated impact of FX on the period-to-period performance results is calculated as the difference between the prior period results multiplied by the average FX exchange rates to USD in the current period and the prior period results, multiplied by the average FX exchange rates to USD in the prior period.

Non-GAAP Financial Measures

In the accompanying analysis of financial information, we sometimes use information derived from consolidated and segment financial information that may not be presented in our financial statements or prepared in accordance with generally accepted accounting principles in the United States ("GAAP"). Certain of these financial measures are considered not in conformity with GAAP ("non-GAAP financial measures”) under the U.S. 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
- Free Cash Flow

We have included the definitions of Segment Operating Income and Adjusted Segment EBITDA, which are GAAP financial measures, below in order to more fully define the components of certain non-GAAP financial measures in the accompanying analysis of financial information. As described in Note 19, “Segment Reporting” in Part II, Item 8, “Financial Statements and Supplementary Data” of this Annual Report, we evaluate the performance of our operating segments based on Adjusted Segment EBITDA, and Segment Operating Income is a component of the definition of Adjusted Segment EBITDA.

We define Segment Operating Income as a segment's share of consolidated operating income. We define Total Segment Operating Income, which is a non-GAAP financial measure, as the total of Segment Operating Income for all segments, which excludes unallocated corporate expenses. We use Segment Operating Income for the purpose of calculating Adjusted Segment EBITDA. We define Adjusted Segment EBITDA as a segment's share of consolidated operating income before depreciation, amortization of intangible assets, remeasurement of acquisition-related contingent consideration, special charges and goodwill impairment charges. We use Adjusted Segment EBITDA as a basis to internally evaluate the financial performance of our segments because we believe it reflects current core operating performance and provides an indicator of the segment's ability to generate cash. We define Adjusted EBITDA Margin, which is a non-GAAP financial measure, 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 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 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. We use Adjusted Net Income for the purpose of calculating Adjusted EPS. Management uses Adjusted EPS to assess total Company operating performance on a consistent basis. We believe that these non-GAAP financial measures, when considered together with our GAAP financial results and GAAP financial measures, provide management and investors with an additional understanding of our business operating results, including underlying trends.

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

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

Full Year 2019 Executive Highlights

Financial Highlights

	Year Ended December 31,		
	2019	2018	% Growth
	(dollar amounts in thousands, except per share amounts)		
Revenues	$ 2,352,717	$ 2,027,877	16.0 %
Net income	$ 216,726	$ 150,611	43.9 %
Adjusted EBITDA	$ 343,900	$ 265,703	29.4 %
Earnings per common share — diluted	$ 5.69	$ 3.93	44.8 %
Adjusted earnings per common share — diluted	$ 5.80	$ 4.00	45.0 %
Net cash provided by operating activities	$ 217,886	$ 230,672	-5.5 %
Total number of employees as of December 31	5,567	4,768	16.8 %

Revenues

Revenues increased $324.8 million, or 16.0%, from 2018 to 2019, which included a 1.3% estimated negative impact from FX. Acquisition-related revenues contributed $19.6 million, or 1.0%, compared with 2018. Excluding the estimated impact from FX and the acquisition-related revenues, the increase was primarily due to higher global demand across all segments, particularly in our Corporate Finance, Economic Consulting and FLC segments.

Net Income

Net income increased $66.1 million, or 43.9%, from 2018 to 2019. This increase was primarily due to higher operating profits across all business segments, lower interest expense and a lower effective tax rate. 2018 net income included a $13.0 million gain related to the sale of the Ringtail e-discovery software and related business (collectively, "Ringtail"), which was partially offset by a $9.1 million loss on early extinguishment of debt related to the redemption of the 6.0% senior notes due 2022 ("2022 Notes").

Adjusted EBITDA

Adjusted EBITDA increased $78.2 million, or 29.4%, from 2018 to 2019. Adjusted EBITDA was 14.6% of revenues for the year ended December 31, 2019 compared with 13.1% of revenues for the year ended December 31, 2018. The increase in Adjusted EBITDA was primarily due to higher revenues across all business segments, which was partially offset by higher compensation, primarily related to an increase in variable compensation and a 17.8% increase in billable headcount, as well as an increase in selling, general and administrative ("SG&A") expenses compared to the prior year.

EPS and Adjusted EPS

EPS increased $1.76 to $5.69 in 2019 compared with $3.93 in 2018. The increase in EPS was primarily due to the operating results described above, lower interest expense related to the 2.0% convertible senior notes due 2023 (“2023 Convertible Notes”) outstanding in 2019 as compared to the 2022 Notes outstanding in 2018, and a lower effective tax rate, which were partially offset by a net FX loss. During the year ended December 31, 2018, we had a loss on early extinguishment of debt related to the redemption of the 2022 Notes for that same period, which decreased EPS by $0.17, which was partially offset by the Ringtail divestiture, which resulted in a $6.2 million after-tax gain and increased EPS by $0.16 for that period.

Adjusted EPS increased $1.80 to $5.80 in 2019 compared with $4.00 in 2018, primarily due to improved operating results, lower interest expense related to the 2023 Convertible Notes and a lower effective tax rate.

Liquidity and Capital Allocation

Cash balances increased by $57.3 million, or 18.4%, to $369.4 million for the year ended December 31, 2019. Cash provided by operating activities decreased $12.8 million to $217.9 million in 2019 as compared with $230.7 million in 2018. The decrease in net cash provided by operating activities was primarily due to an increase in compensation-related costs and operating costs as a result of the growth in the business, partially offset by higher cash collections resulting from higher revenues as compared to the prior year period. Days sales outstanding (“DSO”) was 97 days as of December 31, 2019 and 93 days as of December 31, 2018. The increase in DSO is primarily due to an increase in revenues, which outpaced cash collections.

A portion of net cash provided by operating activities was used to repurchase and retire 1.3 million shares of our common stock under our Repurchase Program for an average price per share of $84.16, at a total cost of $105.9 million during the year ended December 31, 2019. We had $66.6 million remaining under the Repurchase Program to repurchase additional shares as of December 31, 2019.

Free Cash Flow, which is a non-GAAP financial measure, for the years ended December 31, 2019 and 2018 was $175.8 million and $198.4 million, respectively. The decrease was primarily due to a decline in net cash provided by operating activities, as described above, combined with increased capital expenditures for the year ended December 31, 2019 as compared with December 31, 2018.

Other Strategic Activities

During the year ended December 31, 2019, we acquired Andersch AG ("Andersch"), a leading German restructuring advisory firm with offices in Frankfurt, Hamburg and Düsseldorf.

Headcount

Our total headcount increased 16.8% from 4,768 as of December 31, 2018 to 5,567 as of December 31, 2019. The following table includes the net billable headcount additions for the year ended December 31, 2019.

Billable Headcount	Corporate Finance	FLC	Economic Consulting	Technology	Strategic Communications	Total
December 31, 2018	948	1,153	708	306	641	3,756
Additions, net	246	198	82	55	87	668
December 31, 2019	1,194	1,351	790	361	728	4,424
Percentage change in headcount from December 31, 2018	25.9%	17.2%	11.6%	18.0%	13.6%	17.8%

RESULTS OF OPERATIONS

Segment and Consolidated Operating Results:

	Year Ended December 31,	
	2019	2018
	(in thousands, except per share data)	
Revenues		
Corporate Finance	$ 723,721	$ 564,479
FLC	577,780	520,333
Economic Consulting	592,542	533,979
Technology	215,584	185,755
Strategic Communications	243,090	223,331
Total revenues	$ 2,352,717	$ 2,027,877
Segment operating income		
Corporate Finance	$ 152,948	$ 115,124
FLC	98,648	91,262
Economic Consulting	78,201	64,052
Technology	35,022	14,912
Strategic Communications	39,174	37,250
Total segment operating income	403,993	322,600
Unallocated corporate expenses	(98,398)	(96,595)
Operating income	305,595	226,005
Other income (expense)		
Interest income and other	2,061	4,977
Interest expense	(19,206)	(27,149)
Gain on sale of business	—	13,031
Loss on early extinguishment of debt	—	(9,072)
	(17,145)	(18,213)
Income before income tax provision	288,450	207,792
Income tax provision	71,724	57,181
Net income	$ 216,726	$ 150,611
Earnings per common share — basic	$ 5.89	$ 4.06
Earnings per common share — diluted	$ 5.69	$ 3.93

Reconciliation of Net Income to Adjusted EBITDA:

	Year Ended December 31,	
	2019	2018
	(in thousands)	
Net income	$ 216,726	$ 150,611
Add back:		
Income tax provision	71,724	57,181
Interest income and other	(2,061)	(4,977)
Interest expense	19,206	27,149
Gain on sale of business	—	(13,031)
Loss on early extinguishment of debt	—	9,072
Depreciation and amortization	30,153	31,536
Amortization of other intangible assets	8,152	8,162
Adjusted EBITDA	$ 343,900	$ 265,703

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

	Year Ended December 31,	
	2019	2018
	(in thousands, except per share data)	
Net income	$ 216,726	$ 150,611
Add back:		
Loss on early extinguishment of debt	—	9,072
Tax impact of loss on early extinguishment of debt	—	(2,359)
Non-cash interest expense on convertible notes	8,606	3,019
Tax impact of non-cash interest expense on convertible notes	(2,237)	(775)
Gain on sale of business	—	(13,031)
Tax impact of gain on sale of business [1]	(2,097)	6,798
Adjusted net income	$ 220,998	$ 153,335
Earnings per common share — diluted	$ 5.69	$ 3.93
Add back:		
Loss on early extinguishment of debt	—	0.23
Tax impact of loss on early extinguishment of debt	—	(0.06)
Non-cash interest expense on convertible notes	0.23	0.08
Tax impact of non-cash interest expense on convertible notes	(0.06)	(0.02)
Gain on sale of business	—	(0.34)
Tax impact of gain on sale of business [1]	(0.06)	0.18
Adjusted earnings per common share — diluted	$ 5.80	$ 4.00
Weighted average number of common shares outstanding — diluted	38,111	38,318

[1] In 2019, represents a discrete tax adjustment resulting from a change in estimate related to the accounting for the Ringtail divestiture.

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

	Year Ended December 31,	
	2019	2018
	(in thousands)	
Net cash provided by operating activities	$ 217,886	$ 230,672
Purchases of property and equipment	(42,072)	(32,270)
Free Cash Flow	$ 175,814	$ 198,402

Year Ended December 31, 2019 Compared with December 31, 2018

Revenues and Operating Income

See “Segment Results” for an expanded discussion of Revenues and Adjusted Segment EBITDA.

Unallocated Corporate Expenses

Unallocated corporate expenses increased $1.8 million, or 1.9%, to $98.4 million in 2019 from $96.6 million in 2018. The increase was primarily due to higher compensation and employee-related costs and higher legal expenses.

Interest Income and Other

Interest income and other, which includes FX gains and losses, decreased $2.9 million to $2.1 million for the year ended December 31, 2019 from $5.0 million for the year ended December 31, 2018. The decrease was primarily due to a net FX loss, which was $3.1 million for the year ended December 31, 2019 compared with a $0.3 million net FX gain for the year ended December 31, 2018. FX gains and losses, both realized and unrealized, relate to the remeasurement or settlement of monetary assets and liabilities that are denominated in a currency other than an entity's functional currency. These monetary assets and liabilities include cash, as well as third-party and intercompany receivables and payables.

Interest Expense

Interest expense decreased $7.9 million, or 29.3%, to $19.2 million in 2019 from $27.1 million in 2018. The decrease in interest expense reflects additional interest expense in 2018 related to the 2023 Convertible Notes issuance that overlapped the period until the redemption of the 2022 Notes in November 2018, as well as lower average outstanding borrowings under our Credit Facility in 2019 as compared to 2018. In addition, the decrease in interest expense reflects lower average interest rates on the 2023 Convertible Notes outstanding in 2019 as compared to the 2022 Notes outstanding in 2018.

Income Tax Provision

Our income tax provision increased $14.5 million, or 25.4%, to $71.7 million in 2019 from $57.2 million in 2018 primarily due to higher pre-tax income. Our effective tax rate was 24.9% in 2019 compared to 27.5% in 2018. The 2019 tax rate was favorably impacted by discrete tax adjustments including a change in estimate related to the accounting for the Ringtail divestiture and share-based compensation. The 2018 tax rate was unfavorably impacted by the Ringtail divestiture.

SEGMENT RESULTS

Total Adjusted Segment EBITDA

We evaluate the performance of each of our operating segments based on Adjusted Segment EBITDA, which is a GAAP financial measure. The following table reconciles Net Income to Total Adjusted Segment EBITDA, a non-GAAP financial measure, for the years ended December 31, 2019 and 2018.

	Year Ended December 31,	
	2019	2018
	(in thousands)	
Net income	$ 216,726	$ 150,611
Add back:		
Income tax provision	71,724	57,181
Interest income and other	(2,061)	(4,977)
Interest expense	19,206	27,149
Gain on sale of business	—	(13,031)
Loss on early extinguishment of debt	—	9,072
Unallocated corporate expense	98,398	96,595
Total segment operating income	403,993	322,600
Add back:		
Segment depreciation expense	27,369	27,979
Amortization of other intangible assets	8,152	8,162
Total Adjusted Segment EBITDA	$ 439,514	$ 358,741

Other Segment Operating Data

	Year Ended December 31,	
	2019	**2018**
Number of revenue-generating professionals (at period end):		
Corporate Finance	1,194	948
FLC	1,351	1,153
Economic Consulting	790	708
Technology [(1)]	361	306
Strategic Communications	728	641
Total revenue-generating professionals	4,424	3,756
Utilization rate of billable professionals [(2)]:		
Corporate Finance	67%	66%
FLC	63%	64%
Economic Consulting	75%	69%
Average billable rate per hour [(3)]:		
Corporate Finance	$ 452	$ 433
FLC	$ 337	$ 331
Economic Consulting	$ 500	$ 519

(1) The number of revenue-generating professionals for the Technology segment excludes as-needed professionals, who we employ based on demand for the segment's services. We employed an average of 285 and 253 as-needed employees during the years ended December 31, 2019 and 2018 respectively.

(2) We calculate the utilization rate for our billable professionals by dividing the number of hours that all of our billable professionals worked on client assignments during a period by the total available working hours for all of our billable professionals during the same period. Available hours are determined by the standard hours worked by each employee, adjusted for part-time hours, U.S. standard work weeks and local country holidays. Available working hours include vacation and professional training days but exclude holidays. Utilization rates are presented for our segments that primarily bill clients on an hourly basis. We have not presented utilization rates for our Technology and Strategic Communications segments as most of the revenues of these segments are not generated on an hourly basis.

(3) For engagements where revenues are based on number of hours worked by our billable professionals, average billable rate per hour is calculated by dividing revenues (excluding revenues from success fees, pass through revenues and outside consultants) for a period by the number of hours worked on client assignments during the same period. We have not presented average billable rates per hour for our Technology and Strategic Communications segments as most of the revenues of these segments are not based on billable hours.

CORPORATE FINANCE & RESTRUCTURING

	Year Ended December 31,	
	2019	2018
	(dollars in thousands, except rate per hour)	
Revenues	$ 723,721	$ 564,479
Percentage change in revenues from prior year	28.2%	
Operating expenses		
Direct cost of revenues	454,214	354,210
Selling, general and administrative expenses	112,630	92,037
Amortization of other intangible assets	3,929	3,108
	570,773	449,355
Segment operating income	152,948	115,124
Percentage change in segment operating income from prior year	32.9%	
Add back:		
Depreciation and amortization of intangible assets	7,787	6,536
Adjusted Segment EBITDA	$ 160,735	$ 121,660
Gross profit [(1)]	$ 269,507	$ 210,269
Percentage change in gross profit from prior year	28.2%	
Gross profit margin [(2)]	37.2%	37.3%
Adjusted Segment EBITDA as a percent of revenues	22.2%	21.6%
Number of revenue-generating professionals (at period end)	1,194	948
Percentage change in number of revenue-generating professionals from prior year	25.9%	
Utilization rate of billable professionals	67%	66%
Average billable rate per hour	$ 452	$ 433

(1) Revenues less direct cost of revenues.
(2) Gross profit as a percent of revenues.

Year Ended December 31, 2019 Compared with December 31, 2018

Revenues increased $159.2 million, or 28.2%, from 2018 to 2019, which included a 1.2% estimated negative impact from FX. Acquisition-related revenues contributed $19.6 million, or 3.5%, compared with 2018. Excluding the estimated impact from FX and the acquisition-related revenues, revenues increased $146.5 million, or 26.0%. The increase in revenues was primarily due to higher demand and higher realized rates due to mix of client engagements and staffing for our restructuring and business transformation and transactions services, as well as a $21.1 million increase in success fees compared to 2018.

Gross profit increased $59.2 million, or 28.2%, from 2018 to 2019. Gross profit margin decreased 0.1 percentage points from 2018 to 2019.

SG&A expenses increased $20.6 million, or 22.4%, from 2018 to 2019. SG&A expenses were 15.6% of revenues in 2019 compared with 16.3% in 2018. The increase in SG&A expenses included acquisition-related costs, along with an increase in infrastructure support costs, travel and entertainment expenses and other general and administrative costs.

FORENSIC AND LITIGATION CONSULTING

	Year Ended December 31,			
	2019		2018	
	(dollars in thousands, except rate per hour)			
Revenues	$	577,780	$	520,333
Percentage change in revenues from prior year		11.0%		
Operating expenses				
Direct cost of revenues		367,988		330,791
Selling, general and administrative expenses		109,992		96,958
Amortization of other intangible assets		1,152		1,322
		479,132		429,071
Segment operating income		98,648		91,262
Percentage change in segment operating income from prior year		8.1%		
Add back:				
Depreciation and amortization of intangible assets		5,787		5,559
Adjusted Segment EBITDA	$	104,435	$	96,821
Gross profit [(1)]	$	209,792	$	189,542
Percentage change in gross profit from prior year		10.7%		
Gross profit margin [(2)]		36.3%		36.4%
Adjusted Segment EBITDA as a percent of revenues		18.1%		18.6%
Number of revenue-generating professionals (at period end)		1,351		1,153
Percentage change in number of revenue-generating professionals from prior year		17.2%		
Utilization rate of billable professionals		63%		64%
Average billable rate per hour	$	337	$	331

(1) Revenues less direct cost of revenues.
(2) Gross profit as a percent of revenues.

Year Ended December 31, 2019 Compared with December 31, 2018

Revenues increased $57.4 million, or 11.0%, from 2018 to 2019. The increase in revenues was primarily due to increased demand for our investigations, disputes and construction solutions services, combined with higher realized rates due to mix of client engagements and staffing globally for our investigations services.

Gross profit increased $20.3 million, or 10.7%, from 2018 to 2019. Gross profit margin decreased 0.1 percentage points from 2018 to 2019.

SG&A expenses increased $13.0 million, or 13.4%, from 2018 to 2019. SG&A expenses were 19.0% of revenues in 2019 compared with 18.6% in 2018. The increase in SG&A expenses was driven by higher infrastructure support, travel and entertainment, hiring and bad debt expenses.

ECONOMIC CONSULTING

	Year Ended December 31,	
	2019	2018
	(dollars in thousands, except rate per hour)	
Revenues	$ 592,542	$ 533,979
Percentage change in revenues from prior year	11.0%	
Operating expenses		
Direct cost of revenues	437,862	396,001
Selling, general and administrative expenses	76,302	73,630
Amortization of other intangible assets	177	296
	514,341	469,927
Segment operating income	78,201	64,052
Percentage change in segment operating income from prior year	22.1%	
Add back:		
Depreciation and amortization of intangible assets	5,911	5,903
Adjusted Segment EBITDA	$ 84,112	$ 69,955
Gross profit (1)	$ 154,680	$ 137,978
Percentage change in gross profit from prior year	12.1%	
Gross profit margin (2)	26.1%	25.8%
Adjusted Segment EBITDA as a percent of revenues	14.2%	13.1%
Number of revenue-generating professionals (at period end)	790	708
Percentage change in number of revenue-generating professionals from prior year	11.6%	
Utilization rate of billable professionals	75%	69%
Average billable rate per hour	$ 500	$ 519

(1) Revenues less direct cost of revenues.
(2) Gross profit as a percent of revenues.

Year Ended December 31, 2019 Compared with December 31, 2018

Revenues increased $58.6 million, or 11.0%, from 2018 to 2019, which included a 1.3% estimated negative impact from FX. Excluding the estimated negative impact of FX, revenues increased $65.4 million, or 12.3%, due to higher demand for our non-M&A-related antitrust services in North America and Europe, Middle East and Africa ("EMEA").

Gross profit increased $16.7 million, or 12.1%, from 2018 to 2019. Gross profit margin increased 0.3 percentage points from 2018 to 2019. The increase in gross profit margin was primarily due to higher utilization in North America and EMEA, which was partially offset by higher variable compensation as a percentage of revenues.

SG&A expenses increased $2.7 million, or 3.6%, from 2018 to 2019. SG&A expenses were 12.9% of revenues in 2019 compared with 13.8% in 2018. The increase in SG&A expenses was primarily driven by higher infrastructure support and other general and administrative costs.

TECHNOLOGY

	Year Ended December 31,	
	2019	2018
	(dollars in thousands)	
Revenues	$ 215,584	$ 185,755
Percentage change in revenues from prior year	16.1%	
Operating expenses		
Direct cost of revenues	123,504	111,129
Selling, general and administrative expenses	57,058	59,644
Amortization of other intangible assets	—	70
	180,562	170,843
Segment operating income	35,022	14,912
Percentage change in segment operating income from prior year	134.9%	
Add back:		
Depreciation and amortization of intangible assets	10,666	12,475
Adjusted Segment EBITDA	$ 45,688	$ 27,387
Gross profit [(1)]	$ 92,080	$ 74,626
Percentage change in gross profit from prior year	23.4%	
Gross profit margin [(2)]	42.7%	40.2%
Adjusted Segment EBITDA as a percent of revenues	21.2%	14.7%
Number of revenue-generating professionals (at period end) [(3)]	361	306
Percentage change in number of revenue-generating professionals from prior year	18.0%	

(1) Revenues less direct cost of revenues.
(2) Gross profit as a percent of revenues.
(3) Includes personnel involved in direct client assistance and revenue-generating consultants and excludes professionals employed on an as-needed basis.

Year Ended December 31, 2019 Compared with December 31, 2018

Revenues increased $29.8 million, or 16.1%, from 2018 to 2019, which included a 1.0% estimated negative impact from FX. Excluding the estimated negative impact of FX, revenues increased $31.7 million, or 17.1%. The increase in revenues was primarily due to higher demand for consulting, hosting and managed review services, primarily driven by higher demand for large, cross-border investigation and litigation engagements.

Gross profit increased $17.5 million, or 23.4%, from 2018 to 2019. Gross profit margin increased 2.5 percentage points from 2018 to 2019. The increase in gross profit margin was primarily due to higher utilization and realized rates for our consulting services, as well as a favorable regional and service mix, with a higher share of expert-driven work which resulted in higher realized hourly pricing, within our processing business.

SG&A expenses decreased $2.6 million, or 4.3%, from 2018 to 2019. SG&A expenses were 26.5% of revenues in 2019 compared with 32.1% in 2018. The decrease in SG&A expenses was primarily due to $8.3 million of lower research and development expenses primarily associated with the September 2018 Ringtail divestiture, which was partially offset by an increase in personnel costs and other general administrative expenses.

STRATEGIC COMMUNICATIONS

	Year Ended December 31,	
	2019	2018
	(dollars in thousands)	
Revenues	$ 243,090	$ 223,331
Percentage change in revenues from prior year	8.8%	
Operating expenses		
Direct cost of revenues	151,319	135,943
Selling, general and administrative expenses	49,703	46,772
Amortization of other intangible assets	2,894	3,366
	203,916	186,081
Segment operating income	39,174	37,250
Percentage change in segment operating income from prior year	5.2%	
Add back:		
Depreciation and amortization of intangible assets	5,370	5,668
Adjusted Segment EBITDA	$ 44,544	$ 42,918
Gross profit [(1)]	$ 91,771	$ 87,388
Percentage change in gross profit from prior year	5.0%	
Gross profit margin [(2)]	37.8%	39.1%
Adjusted Segment EBITDA as a percent of revenues	18.3%	19.2%
Number of revenue-generating professionals (at period end)	728	641
Percentage change in number of revenue-generating professionals from prior year	13.6%	

(1) Revenues less direct cost of revenues.
(2) Gross profit as a percent of revenues.

Year Ended December 31, 2019 Compared with December 31, 2018

Revenues increased $19.8 million, or 8.8%, from 2018 to 2019, which included a 2.7% estimated negative impact from FX. Excluding the estimated negative impact of FX, revenues increased $25.7 million, or 11.5%. The increase was primarily due to higher demand for project-based crisis communications and corporate reputation services in North America and EMEA and a $6.7 million increase in pass through revenues compared to 2018.

Gross profit increased $4.4 million, or 5.0%, from 2018 to 2019. Gross profit margin decreased 1.3 percentage points from 2018 to 2019. The decrease was primarily due to a higher proportion of lower margin pass through revenues, combined with higher compensation as a percentage of revenues.

SG&A expenses increased $2.9 million, or 6.3%, from 2018 to 2019. SG&A expenses were 20.4% of revenues in 2019 compared with 20.9% in 2018. The increase in SG&A expenses was primarily due to an increase in infrastructure support costs and other general and administrative expenses.

Liquidity and Capital Resources

Cash Flows

	Year Ended December 31,	
	2019	2018
Cash Flows	(dollars in thousands)	
Net cash provided by operating activities	$ 217,886	$ 230,672
Net cash provided by (used in) investing activities	$ (60,606)	$ 18,744
Net cash used in financing activities	$ (103,311)	$ (117,519)
DSO	97	93

We generally finance our day-to-day operations, capital expenditures and acquisitions through cash flows from operations. During the first quarter of our fiscal year, our cash needs generally exceed our cash flows from operations due to the payment of annual incentive compensation. Our operating cash flows generally exceed our cash needs subsequent to the second quarter of each year.

Our operating assets and liabilities consist primarily of billed and unbilled accounts receivable, notes receivable from employees, accounts payable, accrued expenses and accrued compensation expenses. The timing of billings and collections of receivables, as well as compensation and vendor payments, affect the changes in these balances.

DSO is a performance measure used to assess how quickly revenues are collected by the Company. We calculate DSO at the end of each reporting period by dividing net accounts receivable reduced by billings in excess of services provided, by revenues for the quarter, adjusted for changes in foreign exchange rates. We multiply the result by the number of days in the quarter.

Year Ended December 31, 2019 Compared with December 31, 2018

Net cash provided by operating activities decreased $12.8 million, or 5.5%, from 2018 to 2019. The decrease in net cash provided by operating activities was primarily due to an increase in compensation-related costs and operating costs as a result of the growth in the business. These cash outflows were partially offset by higher cash collections resulting from higher revenues as compared to the prior year period. DSO was 97 days as of December 31, 2019 and 93 days as of December 31, 2018. The increase in DSO is primarily due to an increase in revenues, which outpaced cash collections.

Net cash used in investing activities increased $79.4 million, from 2018 to 2019. The Company used $42.1 million for capital expenditures and $18.8 million to purchase Andersch and its related trademark, net of cash acquired, in 2019. Net cash provided by investing activities in 2018 included $50.3 million from the 2018 Ringtail divestiture, partially offset by capital expenditures of $32.3 million.

Net cash used in financing activities decreased $14.2 million, or 12.1%, from 2018 to 2019. Net cash used in financing activities in 2019 consisted mainly of $105.8 million in payments for common stock repurchases under the Repurchase Program. Cash used in financing activities in 2018 included the $300.0 million redemption of the 2022 Notes, $100.0 million of net repayments under our Credit Facility, $16.1 million payments of debt issue costs, redemption premium and other redemption costs, and $55.7 million in common stock repurchases. These cash outflows were partially offset by $316.3 million in proceeds from the issuance of the 2023 Convertible Notes and $38.5 million from the issuance of common stock under our equity compensation plans.

Capital Resources

As of December 31, 2019, our capital resources included $369.4 million of cash and cash equivalents and available borrowing capacity of $549.0 million under a $550.0 million revolving line of credit under our Credit Facility. As of December 31, 2019, we had no outstanding borrowings under our Credit Facility and $1.0 million of outstanding letters of credit, which reduced the availability of borrowings under the Credit Facility. We use letters of credit primarily in lieu of security deposits for our leased office facilities. The $550.0 million revolving line of credit under the Credit Facility includes a $75.0 million sublimit for borrowings in currencies other than USD, including the euro, British pound, Australian dollar and Canadian dollar.

The availability of borrowings, as well as issuances and extensions of letters of credit, under our Credit Facility is subject to specified conditions. We may choose to repay outstanding borrowings under the Credit Facility at any time before maturity without premium or penalty. Borrowings under the Credit Facility in USD, euro and British pound bear interest at an annual rate equal to the London Interbank Offered Rate ("LIBOR"), plus an applicable margin or an alternative base rate plus an applicable margin. The alternative base rate means a fluctuating rate per annum equal to the highest of (1) the rate of interest in effect for such day as the prime rate announced by Bank of America, (2) the federal funds rate plus the sum of 50 basis points, and (3) the one-month LIBOR plus 100 basis points. Borrowings under the Credit Facility in Canadian dollars bear interest at an annual rate equal to the Canadian Dealer Offered Rate plus an applicable margin. Borrowings under the Credit Facility in Australian dollars bear interest at an annual rate equal to the Bank Bill Swap Reference Bid Rate plus an applicable margin. The Credit Facility is guaranteed by substantially all of our domestic subsidiaries and is secured by a first priority security interest in substantially all of the assets of FTI Consulting and such domestic subsidiaries. Subject to certain conditions, at any time prior to maturity, we will be able to invite existing and new lenders to increase the size of the facility up to a maximum of $700.0 million.

Our Credit Facility and other indebtedness outstanding from time to time contains or may contain covenants that, among other things, may limit our ability to: incur additional indebtedness; create liens; pay dividends on our capital stock, make distributions or repurchases of our capital stock or make specified other restricted payments; consolidate, merge or sell all or substantially all of our assets; guarantee obligations of other entities or our foreign subsidiaries; enter into hedging agreements; enter into transactions with affiliates or related persons; or engage in any business other than consulting-related businesses. In addition, the Credit Facility includes a financial covenant that requires us not to exceed a maximum consolidated total net leverage ratio (the ratio of funded debt (less unrestricted cash up to $150.0 million) to Consolidated EBITDA, as defined in the Credit Facility). As of December 31, 2019, we were in compliance with the covenants contained in the Credit Facility and the indenture, dated as of August 20, 2018, between us and U.S. Bank National Association, as trustee (the "Indenture") governing the 2023 Convertible Notes.

Future Capital Needs

We anticipate that our future capital needs will principally consist of funds required for:

- operating and general corporate expenses relating to the operation of our businesses;
- capital expenditures, primarily for information technology equipment, office furniture and leasehold improvements;
- debt service requirements, including interest payments on our long-term debt;
- compensation for designated executive management and senior managing directors under our various long-term incentive compensation programs;
- discretionary funding of our Repurchase Program;
- contingent obligations related to our acquisitions;
- potential acquisitions of businesses; and
- other known future contractual obligations.

We currently anticipate capital expenditures of $40 million to $49 million to support our organization during 2020, including direct support for specific client engagements. Our estimate takes into consideration the needs of our existing businesses but does not include the impact of any purchases that we may be required to make as a result of future acquisitions or specific client engagements that are not completed or not currently contemplated. Our capital expenditure requirements may change if our staffing levels or technology needs change significantly from what we currently anticipate, if we are required to purchase additional equipment specifically to support new client engagements or if we pursue and complete additional acquisitions.

2023 Convertible Notes

Our 2023 Convertible Notes were issued pursuant to the Indenture. The 2023 Convertible Notes bear interest at a fixed rate of 2.0% per year, payable semiannually in arrears on February 15 and August 15 of each year, beginning on February 15, 2019. The 2023 Convertible Notes will mature on August 15, 2023, unless earlier converted or repurchased. Upon conversion, the 2023 Convertible Notes may be settled, at our election, in cash, shares of our common stock or a combination of cash and shares of our common stock.

Each $1,000 principal amount of the 2023 Convertible Notes will initially be convertible into 9.8643 shares of our common stock, which is equivalent to an initial conversion price of approximately $101.38 per share of common stock, subject to adjustment upon the occurrence of specified events. Prior to the close of business on the business day immediately preceding May 15, 2023, the 2023 Convertible Notes may be converted only under the following circumstances: (1) during any calendar quarter commencing after the calendar quarter ending on September 30, 2018 (and only during such calendar quarter), if the last reported sale price of our common stock for at least 20 trading days (whether or not consecutive) during a period of 30 consecutive trading days ending on, and including, the last trading day of the immediately preceding calendar quarter is greater than or equal to 130% of the conversion price on each applicable trading day; (2) during the five business day period after any five consecutive trading day period (the “Measurement Period”) in which the trading price (as defined in the Indenture) per $1,000 principal amount of the 2023 Convertible Notes for each trading day of the Measurement Period was less than 98% of the product of the last reported sale price of our common stock and the conversion rate in effect on each such trading day; or (3) upon the occurrence of specified corporate events. On or after May 15, 2023, until the close of business on the business day immediately preceding the maturity date of August 15, 2023, holders may convert their 2023 Convertible Notes at any time, regardless of the foregoing circumstances.

We may not redeem the 2023 Convertible Notes prior to the maturity date.

If we undergo a fundamental change (as defined in the Indenture), subject to certain conditions, holders may require us to repurchase for cash all or part of their 2023 Convertible Notes in principal amounts of $1,000 or a multiple thereof. The fundamental change repurchase price will be equal to 100% of the principal amount of the 2023 Convertible Notes to be repurchased, plus accrued and unpaid interest, if any, to, but excluding, the fundamental change repurchase date. In addition, in certain circumstances, we may be required to increase the conversion rate for any 2023 Convertible Notes converted in connection with a make-whole fundamental change (as defined in the Indenture). See Note 1, "Description of Business and Summary of Significant Accounting Policies" and Note 13, "Debt" in Part II, Item 8 and "Risk Factors" in Part I, Item 1A of this Annual Report for a further discussion of the 2023 Convertible Notes.

Cash Flows

For the last several years, our cash flows from operations have exceeded our cash needs for capital expenditures and debt service requirements. We believe that our cash flows from operations, supplemented by short-term borrowings under our Credit Facility, as necessary, will provide adequate cash to fund our long-term cash needs from normal operations for the next 12 months or longer.

Our conclusion that we will be able to fund our cash requirements by using existing capital resources and cash generated from operations does not take into account the impact of any future acquisitions, unexpected significant changes in number of employees or other unanticipated uses of cash. The anticipated cash needs of our business could change significantly if we pursue and complete additional business acquisitions, if our business plans change, if economic conditions change from those currently prevailing or from those now anticipated, or if other unexpected circumstances arise that may have a material effect on the cash flow or profitability of our business, including material negative changes in the operating performance or financial results of our business. Any of these events or circumstances, including any new business opportunities, could involve significant additional funding needs in excess of the identified currently available sources and could require us to raise additional debt or equity funding to meet those needs. Our ability to raise additional capital, if necessary, is subject to a variety of factors that we cannot predict with certainty, including:

- our future profitability;
- the quality of our accounts receivable;
- our relative levels of debt and equity;
- the volatility and overall condition of the capital markets; and
- the market price of our securities.

Any new debt funding, if available, may be on terms less favorable to us than our Credit Facility or the 2023 Convertible Notes. See “Forward-Looking Statements” under the heading “Risk Factors” in Part I, Item 1A, of this Annual Report on Form 10-K.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements and we have not entered into any transactions involving unconsolidated subsidiaries or special purpose entities that would be expected to have a material impact on our financial condition or results of operations.

Future Contractual Obligations

The following table sets forth our estimates as to the amounts and timing of contractual payments for our most significant contractual obligations as of December 31, 2019. The information in the table reflects future unconditional payments and is based on the terms of the relevant agreements, appropriate classification of items under GAAP currently in effect and certain assumptions such as interest rates. Future events could cause actual payments to differ from these amounts.

Future contractual obligations related to our long-term debt assume that payments will be made based on the current payment schedule and that interest payments will be at their stated rates and exclude any additional revolving line of credit borrowings or repayments subsequent to December 31, 2019 and prior to the November 30, 2023 maturity date of our Credit Facility.

Contractual Obligations	Total	Payments Due by Period Less than 1 Year	1-3 Years	3-5 Years	More than 5 Years
	(in thousands)				
Long-term debt [(1)]	$ 341,550	$ 6,325	$ 12,650	$ 322,575	$ —
Operating leases	257,086	45,849	83,525	50,550	77,162
Total obligations	$ 598,636	$ 52,174	$ 96,175	$ 373,125	$ 77,162

(1) Includes principal and interest payments. Projected interest payments may differ in the future based on the balance outstanding on our Credit Facility, as well as changes in market interest rates.

Effect of Inflation

Inflation is not generally a material factor affecting our business. General operating expenses such as salaries, employee benefits and lease costs are, however, subject to normal inflationary pressures.

Critical Accounting Policies

General. Our discussion and analysis of our financial condition and results of operations are based on our consolidated financial statements, which we have prepared in accordance with GAAP. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. We evaluate our estimates, including those related to allowance for doubtful accounts and unbilled services, goodwill, income taxes and contingencies on an ongoing basis. We base our estimates on current facts and circumstances, historical experience and various other assumptions that we believe are reasonable. These results form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

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

Revenue Recognition**.** Revenues are recognized when we satisfy a performance obligation by transferring goods or services promised in a contract to a customer, in an amount that reflects the consideration that we expect to receive in exchange for those goods or services. Performance obligations in our contracts represent distinct or separate service streams that we provide to our customers.

We evaluate our revenue contracts with customers based on the five-step model under *Revenue from Contracts with Customers*: (1) identify the contract with the customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to separate performance obligations; and (5) recognize revenues when (or as) each performance obligation is satisfied. If, at the outset of an arrangement, we determine that a contract with enforceable rights and obligations does not exist, revenues are deferred until all criteria for an enforceable contract are met.

We generate the majority of our revenues by providing consulting services to our clients. Most of our consulting service contracts are based on one of the following types of arrangements:

- *Time and expense arrangements* require the client to pay us based on the number of hours worked at contractually agreed-upon rates. We recognize revenues for these arrangements based on hours incurred and contracted rates utilizing a right-to-invoice practical expedient because we have a right to consideration for services completed to date. When a time and expense arrangement has a not-to-exceed or "cap" amount and we expect to perform work in excess of the cap, we recognize revenues up to the cap amount specified by the client, based on the efforts or hours incurred as a percentage of total efforts or hours expected to be incurred (i.e., proportional performance method). Certain time and materials arrangements may be subject to third-party approval, e.g., a court or other regulatory institution, with interim billing and payments made and received based upon preliminarily agreed-upon rates. In such cases, we record revenues for the portion of our services based on our assessment of the expected probability of amounts ultimately to be agreed upon by the court or regulator. These assessments are made on a case-by-case basis depending on the nature of the engagement, client economics, historical experience and other appropriate factors.

- *Fixed-fee arrangements* require the client to pay a pre-established fee in exchange for a predetermined set of professional services. We recognize revenues for these arrangements based on the proportional performance related to individual performance obligations within each arrangement, however, these arrangements generally have one performance obligation.

- *Performance-based or contingent arrangements* represent forms of variable consideration. In these arrangements, our fees are based on the attainment of contractually defined objectives with our client, such as completing a business transaction or assisting the client in achieving a specific business objective. We recognize revenues earned to date by applying the proportional performance method.

In addition, we generate certain revenues from our Technology segment that are based on units of data stored or processed. Unit-based revenues are recognized as services are provided, based on either the amount of data stored or processed, the number of concurrent users accessing the information, or the number of pages or images processed for a client, and agreed-upon per unit rates.

Certain of our time and expense and fixed-fee billing arrangements may include client incentives in the form of volume-based discounts, where if certain fee levels are reached, the client can receive future services at a discounted hourly rate. Contracts with customers that have a prospective discounted pricing option based on predetermined volume thresholds are evaluated to determine whether they include a material right, which is an option that provides a customer the right to acquire free or discounted goods or services in the future. If the option provides a material right to the customer, we allocate a portion of the transaction price to the material right and defer revenues during the pre-discount period, compared with our previous practice of recognizing the reduction in revenues when customers became eligible to receive the volume discount.

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

Allowance for Doubtful Accounts and Unbilled Services. We maintain an allowance for doubtful accounts and unbilled services for estimated losses resulting from disputes that affect our ability to fully collect our billed accounts receivable, potential fee reductions negotiated with specific clients or imposed by bankruptcy courts and the inability of specific clients to pay our fees. Even if a bankruptcy court approves our services, the court has the discretion to require us to refund all or a portion of our fees due to the outcome of the case or a variety of other factors. We estimate the allowance for all receivable risks by reviewing the status of each matter and recording reserves based on our experience and knowledge of specific client collections and the Company's historical collection patterns for similar client collections. However, our actual experience may vary from our estimates. If the financial condition of our clients were to deteriorate, resulting in their inability or unwillingness to pay our fees, or bankruptcy courts require us to refund certain fees, we may need to record additional allowances or write-offs in future periods. This risk related to a client’s inability to pay may be partially mitigated to the extent that we may receive retainers from some of our clients prior to performing services.

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

We record adjustments to the allowance for doubtful accounts and unbilled services as a reduction in revenues when there are changes in estimates of fee reductions, such as those fee reductions imposed by bankruptcy courts and other regulatory institutions for both billed and unbilled receivables. The allowance for doubtful accounts and unbilled services is also adjusted after the related work has been billed to the client and we discover that collectability is not reasonably assured. These adjustments are recorded to SG&A expenses on the Consolidated Statements of Comprehensive Income. Our bad debt expense totaled $19.6 million, $17.9 million and $15.4 million for the years ended December 31, 2019, 2018 and 2017, respectively.

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

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

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

We assess our goodwill for impairment at the reporting unit level. A reporting unit is an operating segment or a business one level below that operating segment if discrete financial information is available and regularly reviewed by the chief operating decision makers. Entities have an option, under certain circumstances, to perform a qualitative assessment regarding the reporting unit's fair value to determine whether it is necessary to perform the quantitative impairment test.

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

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

The cash flows employed in the income approach are based on our most recent forecasts, budgets and business plans, as well as various growth rate assumptions for years beyond the current business plan period, discounted using an estimated weighted average cost of capital ("WACC ") which reflects an assessment of the risk inherent in the future revenue streams and cash flows. The WACC consists of (1) a risk-free rate of return, (2) an equity risk premium that is based on the historical rate of return for equity securities of publicly traded companies, (3) an appropriate size premium, (4) the current after-tax market rate of return on debt of companies with business characteristics similar to our reporting units and (5) a company-specific risk premium. We weighted the cost of equity and debt by the relative market value percentages of our equity and debt. In the market approach, we utilize market multiples derived from comparable guideline companies and comparable market transactions to the extent available. These valuations are based on estimates and assumptions, including projected future cash flows, determination of appropriate comparable guideline companies and the determination of whether a premium or discount should be applied to such comparable guideline companies.

We determine whether to perform qualitative assessment first or to bypass the qualitative assessment and proceed with the quantitative goodwill impairment test for each of our reporting units based on the headroom from the most recent quantitative tests and other events or changes in circumstances that could impact the fair value of the reporting units.

The process of evaluating the potential impairment of goodwill is highly subjective and requires significant judgment and estimates. There can be no assurance that the estimates and assumptions used in our goodwill impairment testing will prove to be accurate predictions of the future. If our assumptions regarding forecasted cash flows are not achieved or market conditions significantly deteriorate, we may be required to record goodwill impairment charges in future periods, whether in connection with our next annual impairment test or prior to that, if a triggering event occurs outside of the quarter during which the annual goodwill impairment test is performed. It is not possible at this time to determine if any future impairment charge would result or, if it does, whether such charge would be material.

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

Significant New Accounting Pronouncements

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

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to market risk from changes in interest rates, changes in the price of our common stock and changes in foreign exchange rates.

Interest Rate Risk and Market Risk

We are exposed to interest rate risk related to debt obligations outstanding. Interest rate changes expose our fixed rate long-term borrowings to changes in fair value and expose our variable rate borrowings to changes in our interest expense. As of December 31, 2019, there were no variable rate debt instruments outstanding as there were no outstanding borrowings under our Credit Facility. Future interest rate risk may be affected by revolving line of credit borrowings subsequent to December 31, 2019 and prior to the November 30, 2023 maturity date of our Credit Facility.

From time to time, we may use derivative instruments to manage our interest rate risk and market risk exposure. All of our derivative transactions are entered into for non-trading purposes.

The following table presents principal cash flows and related interest rates by year of maturity for our 2023 Convertible Notes and the fair value of the debt as of December 31, 2019 and 2018. Our stock price affects the fair value of our 2023 Convertible Notes, which is determined based on the last actively traded prices in an over-the-counter market for our 2023 Convertible Notes. The last actively traded prices for our 2023 Convertible Notes per $1,000 principal amount were $1,258.55 and $935.50 as of December 31, 2019 and 2018, respectively.

						December 31, 2019		December 31, 2018	
Long-Term Debt	2020	2021	2022	2023	Thereafter	Total	Fair Value	Total	Fair Value

	(dollars in thousands)								
Fixed rate	$ —	$ —	$ —	$316,250	$ —	$316,250	$398,016	$316,250	$291,837
Average interest rate	—	—	—	5.4%	—	5.4%	—	5.4%	—

Foreign Currency Exchange Rate Risk

Exchange Rate Risk

Our FX exposure primarily relates to intercompany receivables and payables and third-party receivables and payables that are denominated in currencies other than the functional currency of our legal entities. Our largest FX exposure is unsettled intercompany payables and receivables, which are reviewed on a regular basis. In cases where settlement of intercompany balances is not practical, we may use cash to create offsetting currency positions to reduce exposure. Gains and losses from FX transactions are included in interest income and other on our Consolidated Statements of Comprehensive Income and to date have not had a material impact on our consolidated financial statements. See Note 7, “Interest Income and Other” in Part II, Item 8 of this Annual Report for information.

Translation of Financial Results

Most of our foreign subsidiaries operate in a currency other than USD; therefore, increases or decreases in the value of USD against other major currencies will affect our operating results and the value of our balance sheet items denominated in foreign currencies. Our most significant exposures to translation risk relate to functional currency assets and liabilities that are denominated in the British pound, euro, Canadian dollar and Australian dollar. The following table details the unrealized changes in the net investments of foreign subsidiaries whose currencies are denominated in currencies other than USD for the years ended December 31, 2019, 2018 and 2017. These translation adjustments are reflected in “Other comprehensive income (loss)” on our Consolidated Statements of Comprehensive Income.

	Year Ended December 31,		
Changes in Net Investment of Foreign Subsidiaries	**2019**	**2018**	**2017**
		(in thousands)	
British pound	$ 7,390	$ (15,590)	$ 20,394
Euro	(1,323)	(2,753)	6,595
Canadian dollar	1,020	(1,639)	1,439
Australian dollar	(208)	(6,077)	4,058
All other	91	(1,543)	(1,822)
Total	$ 6,970	$ (27,602)	$ 30,664

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

FTI Consulting, Inc. and Subsidiaries

Consolidated Financial Statements

INDEX

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting and for performing an assessment of the effectiveness of internal control over financial reporting as of December 31, 2019. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Our system of internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets, (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that our receipts and expenditures are being made only in accordance with the authorization of our management and directors, and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements. Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting as of December 31, 2019 based on the framework in the 2013 Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on that evaluation, our management concluded that our internal control over financial reporting was effective as of December 31, 2019.

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

Date: February 25, 2020

/s/ STEVEN H. GUNBY

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

/s/ AJAY SABHERWAL

Ajay Sabherwal
Chief Financial Officer
(Principal Financial Officer)

Report of Independent Registered Public Accounting Firm

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

Opinion on Internal Control Over Financial Reporting

We have audited FTI Consulting, Inc. and subsidiaries' (the Company) internal control over financial reporting as of December 31, 2019, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2019, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2019 and 2018, the related consolidated statements of comprehensive income, stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2019, and the related notes and financial statement Schedule II, Valuation and Qualifying Accounts (collectively, the consolidated financial statements), and our report dated February 25, 2020 expressed an unqualified opinion on those consolidated financial statements.

Basis for Opinion

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

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

Definition and Limitations of Internal Control Over Financial Reporting

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

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

/s/ KPMG LLP

McLean, Virginia
February 25, 2020

Report of Independent Registered Public Accounting Firm

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

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of FTI Consulting, Inc. and subsidiaries (the Company) as of December 31, 2019 and 2018, the related consolidated statements of comprehensive income, stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2019, and the related notes and financial statement Schedule II, Valuation and Qualifying Accounts (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2019 and 2018, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2019, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2019, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated February 25, 2020 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

Changes in Accounting Principle

As discussed in Note 2 to the consolidated financial statements, the Company has changed its method of accounting for revenue as of January 1, 2018 due to the adoption of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 606, *Revenue from Contracts with Customers*.

As discussed in Note 1 and 2 to the consolidated financial statements, the Company has changed its method of accounting for leases as of January 1, 2019 due to the adoption of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 842, *Leases.*

Basis for Opinion

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

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

Critical Audit Matter

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

Assessment of the estimation of losses related to billed and unbilled receivables

As discussed in Note 1 to the consolidated financial statements, the Company maintains an allowance for doubtful accounts and unbilled services for estimated losses (the allowance). The allowance results from potential fee reductions negotiated with specific clients or imposed by bankruptcy courts or regulatory agencies; specific clients' inability to pay; and/or disputes impacting the Company's ability to fully collect billed and unbilled amounts. As of December 31, 2019, the allowance was $265.5 million. The allowance is recorded based on the Company's understanding of specific client collections and the Company's historical collection patterns for similar client collections.

We identified the assessment of the estimation of losses related to billed and unbilled receivables as a critical audit matter. There was a high degree of subjectivity in evaluating the following assumptions: (1) likely outcome of bankruptcy court or other regulatory agencies' imposed fee reductions, (2) probability of clients successfully negotiating fee reductions, (3) the ability of clients to pay assessed fees, and (4) the probability of the Company successfully negotiating remaining unbilled fees owed.

The primary procedures we performed to address this critical audit matter included the following. We tested certain internal controls over the Company's estimation of the allowance process, including controls related to the monthly analysis of reserves by matter, and review of manual adjustments to unbilled receivables and revenue. We inquired of relevant Company personnel to assess the rationale for establishing an allowance, or lack thereof, for specific clients. We inspected relevant evidence, including: (1) documents received directly by us from the Company's client, (2) documents received by the Company from their client, (3) contractual documents, (4) regulatory correspondence, and (5) historical trends and analysis performed by the Company. We compared actual collections and write-offs to amounts previously reserved. We compared the Company's receivable turnover ratio as of December 31, 2019, which represents revenues divided by the average amount of billed and unbilled receivables, to the Company's historical receivables turnover ratio. We compared the days outstanding for the current billed and unbilled receivables as of December 31, 2019, to the days outstanding for the Company's historical billed and unbilled receivables.

/s/ KPMG LLP

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

McLean, Virginia
February 25, 2020

FTI Consulting, Inc. and Subsidiaries

Consolidated Balance Sheets
(in thousands, except per share data)

	December 31, 2019	December 31, 2018
Assets		
Current assets		
Cash and cash equivalents	$ 369,373	$ 312,069
Accounts receivable:		
Billed receivables	540,584	437,797
Unbilled receivables	418,288	319,205
Allowance for doubtful accounts and unbilled services	(265,500)	(202,394)
Accounts receivable, net	693,372	554,608
Current portion of notes receivable	35,106	29,228
Prepaid expenses and other current assets	80,810	69,448
Total current assets	1,178,661	965,353
Property and equipment, net	93,672	84,577
Operating lease assets	159,777	—
Goodwill	1,202,767	1,172,316
Other intangible assets, net	38,432	34,633
Notes receivable, net	69,033	84,471
Other assets	40,800	37,771
Total assets	$ 2,783,142	$ 2,379,121
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable, accrued expenses and other	$ 158,936	$ 104,600
Accrued compensation	416,903	333,536
Billings in excess of services provided	36,698	44,434
Total current liabilities	612,537	482,570
Long-term debt, net	275,609	265,571
Noncurrent operating lease liabilities	176,378	—
Deferred income taxes	151,352	155,088
Other liabilities	78,124	127,067
Total liabilities	1,294,000	1,030,296
Commitments and contingent liabilities (Note 15)		
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 — 37,390 (2019) and 38,147 (2018)	374	381
Additional paid-in capital	216,162	299,534
Retained earnings	1,413,453	1,196,727
Accumulated other comprehensive loss	(140,847)	(147,817)
Total stockholders' equity	1,489,142	1,348,825
Total liabilities and stockholders' equity	$ 2,783,142	$ 2,379,121

See accompanying notes to consolidated financial statements.

FTI Consulting, Inc. and Subsidiaries

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

	Year Ended December 31,		
	2019	2018	2017
Revenues	$ 2,352,717	$ 2,027,877	$ 1,807,732
Operating expenses			
Direct cost of revenues	1,534,896	1,328,074	1,215,560
Selling, general and administrative expenses	504,074	465,636	432,013
Special charges	—	—	40,885
Amortization of other intangible assets	8,152	8,162	10,563
	2,047,122	1,801,872	1,699,021
Operating income	305,595	226,005	108,711
Other income (expense)			
Interest income and other	2,061	4,977	3,752
Interest expense	(19,206)	(27,149)	(25,358)
Gain on sale of business	—	13,031	—
Loss on early extinguishment of debt	—	(9,072)	—
	(17,145)	(18,213)	(21,606)
Income before income tax provision (benefit)	288,450	207,792	87,105
Income tax provision (benefit)	71,724	57,181	(20,857)
Net income	$ 216,726	$ 150,611	$ 107,962
Earnings per common share — basic	$ 5.89	$ 4.06	$ 2.79
Earnings per common share — diluted	$ 5.69	$ 3.93	$ 2.75
Other comprehensive income (loss), net of tax			
Foreign currency translation adjustments, net of tax expense of $—, $373 and $—	$ 6,970	$ (27,602)	$ 30,664
Other comprehensive income (loss), net of tax	6,970	(27,602)	30,664
Comprehensive income	$ 223,696	$ 123,009	$ 138,626

See accompanying notes to consolidated financial statements.

FTI Consulting, Inc. and Subsidiaries

Consolidated Statements of Stockholders' Equity
(in thousands)

	Common Stock		Additional	Retained	Accumulated Other	
	Shares	Amount	Paid-in Capital	Earnings	Comprehensive Loss	Total
Balance at December 31, 2016	42,037	$ 420	$ 416,816	$ 941,001	$ (150,879)	$ 1,207,358
Net income	—	$ —	$ —	$ 107,962	$ —	$ 107,962
Other comprehensive income:						
Cumulative translation adjustment	—	—	—	—	30,664	30,664
Issuance of common stock in connection with:						
Exercise of options	123	1	4,132	—	—	4,133
Restricted share grants, less net settled shares of 92	243	2	(4,442)	—	—	(4,440)
Stock units issued under incentive compensation plan	—	—	1,547	—	—	1,547
Purchase and retirement of common stock	(4,674)	(46)	(168,048)	—	—	(168,094)
Cumulative effect due to adoption of new accounting standard	—	—	—	(3,189)	—	(3,189)
Share-based compensation	—	—	16,030	—	—	16,030
Balance at December 31, 2017	37,729	$ 377	$ 266,035	$ 1,045,774	$ (120,215)	$ 1,191,971
Net income	—	$ —	$ —	$ 150,611	$ —	$ 150,611
Other comprehensive loss:						
Cumulative translation adjustment	—	—	—	—	(27,602)	(27,602)
Issuance of common stock in connection with:						
Exercise of options	1,051	11	41,557	—	—	41,568
Restricted share grants, less net settled shares of 58	319	3	(3,097)	—	—	(3,094)
Stock units issued under incentive compensation plan	—	—	1,059	—	—	1,059
Purchase and retirement of common stock	(952)	(10)	(55,728)	—	—	(55,738)
Cumulative effect due to adoption of new accounting standard	—	—	—	342	—	342
Conversion feature of convertible senior notes, due 2023, net	—	—	34,131	—	—	34,131
Share-based compensation	—	—	15,577	—	—	15,577
Balance at December 31, 2018	38,147	$ 381	$ 299,534	$ 1,196,727	$ (147,817)	$ 1,348,825
Net income	—	$ —	$ —	$ 216,726	$ —	$ 216,726
Other comprehensive income:						
Cumulative translation adjustment	—	—	—	—	6,970	6,970
Issuance of common stock in connection with:						
Exercise of options	256	3	9,685	—	—	9,688
Restricted share grants, less net settled shares of 78	245	3	(6,520)	—	—	(6,517)
Stock units issued under incentive compensation plan	—	—	1,413	—	—	1,413
Purchase and retirement of common stock	(1,258)	(13)	(105,928)	—	—	(105,941)
Share-based compensation	—	—	17,978	—	—	17,978
Balance at December 31, 2019	37,390	$ 374	$ 216,162	$ 1,413,453	$ (140,847)	$ 1,489,142

See accompanying notes to consolidated financial statements.

FTI Consulting, Inc. and Subsidiaries

Consolidated Statements of Cash Flows
(in thousands)

	Year Ended December 31,		
	2019	2018	2017
Operating activities			
Net income	$ 216,726	$ 150,611	$ 107,962
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	30,153	31,536	31,177
Amortization and impairment of other intangible assets	8,152	8,162	10,563
Acquisition-related contingent consideration	2,372	479	2,291
Provision for doubtful accounts	19,602	17,872	15,386
Share-based compensation	17,978	15,577	16,030
Amortization of debt discount and issuance costs	11,615	5,456	1,984
Loss on early extinguishment of debt	—	9,072	—
Gain on sale of business	—	(13,031)	—
Deferred income taxes	(3,712)	20,831	(51,579)
Other	302	769	611
Changes in operating assets and liabilities, net of effects from acquisitions:			
Accounts receivable, billed and unbilled	(141,894)	(72,034)	(50,831)
Notes receivable	10,445	8,987	14,928
Prepaid expenses and other assets	(22,648)	(2,258)	629
Accounts payable, accrued expenses and other	(8,907)	8,908	4,421
Income taxes	24,496	(8,890)	25,811
Accrued compensation	61,339	52,510	1,795
Billings in excess of services provided	(8,133)	(3,885)	16,447
Net cash provided by operating activities	217,886	230,672	147,625
Investing activities			
Proceeds from sale of business	—	50,283	—
Payments for acquisition of businesses, net of cash received	(18,791)	—	(8,929)
Purchases of property and equipment	(42,072)	(32,270)	(32,004)
Other	257	731	295
Net cash provided by (used in) investing activities	(60,606)	18,744	(40,638)
Financing activities			
Borrowings under revolving line of credit	45,000	233,500	422,000
Repayments under revolving line of credit	(45,000)	(333,500)	(392,000)
Proceeds from issuance of convertible notes	—	316,250	—
Payments of long-term debt	—	(300,000)	—
Payments of debt issue and debt prepayment costs	—	(16,149)	—
Purchase and retirement of common stock	(105,797)	(55,738)	(168,094)
Net issuance of common stock under equity compensation plans	3,171	38,475	(504)
Payments for business acquisition liabilities	(2,282)	(3,029)	(5,161)
Deposits and other	1,597	2,672	2,825
Net cash used in financing activities	(103,311)	(117,519)	(140,934)
Effect of exchange rate changes on cash and cash equivalents	3,335	(9,789)	7,750
Net increase (decrease) in cash and cash equivalents	57,304	122,108	(26,197)
Cash and cash equivalents, beginning of period	312,069	189,961	216,158
Cash and cash equivalents, end of period	$ 369,373	$ 312,069	$ 189,961
Supplemental cash flow disclosures			
Cash paid for interest	$ 7,606	$ 21,687	$ 23,285
Cash paid for income taxes, net of refunds	$ 50,941	$ 45,568	$ 4,929
Non-cash investing and financing activities:			
Issuance of stock units under incentive compensation plans	$ 1,413	$ 1,059	$ 1,547
Business acquisition liabilities not yet paid	$ 9,746	$ —	$ 3,426

See accompanying notes to consolidated financial statements.

Notes to Consolidated Financial Statements
(dollar and share amounts in tables expressed in thousands, except per share data)

1. Description of Business and Summary of Significant Accounting Policies

Description of Business

FTI Consulting, Inc., including its consolidated subsidiaries (collectively, the "Company," "we," "our" or "FTI Consulting"), is a global business advisory firm dedicated to helping organizations manage change, mitigate risk and resolve disputes: financial, legal, operational, political and regulatory, reputational and transactional. Individually, each of our segments and practices is staffed with experts recognized for the depth of their knowledge and a track record of making an impact. Collectively, FTI Consulting offers a comprehensive suite of services designed to assist clients across the business cycle, from proactive risk management to rapid response to unexpected events and dynamic environments. We operate through five reportable segments: Corporate Finance & Restructuring ("Corporate Finance"), Forensic and Litigation Consulting ("FLC"), Economic Consulting, Technology and Strategic Communications.

Accounting Principles

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

Foreign Currency

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

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

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts in the consolidated financial statements and accompanying notes. Due to the inherent uncertainty involved in making those assumptions, actual results could differ from those estimates. Our most significant estimates relate to the determination of the allowance for doubtful accounts and unbilled services, the assessment of the recoverability of goodwill, the realization of deferred tax assets and the fair value of acquisition-related contingent consideration. Management bases its estimates on historical trends, current experience and other assumptions that it believes are reasonable.

Concentrations of Risk

We do not have a single customer that represents 10% or more of our consolidated revenues. We derive the majority of our revenues from providing professional services to clients in the U.S. For the year ended December 31, 2019, we derived approximately 34% of our consolidated revenues from the work of professionals who are assigned to locations outside the U.S. We believe that the geographic and industry diversity of our customer base throughout the U.S. and internationally minimizes the risk of incurring material losses due to concentrations of credit risk.

Revenue Recognition

Revenues are recognized when we satisfy a performance obligation by transferring services promised in a contract to a customer, in an amount that reflects the consideration that we expect to receive in exchange for those services. Performance obligations in our contracts represent distinct or separate services that we provide to our customers.

We evaluate our revenue contracts with customers based on the five-step model under *Revenue from Contracts with Customers*: (1) identify the contract with the customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to separate performance obligations; and (5) recognize revenues when (or as) each performance obligation is satisfied. If, at the outset of an arrangement, we determine that a contract with enforceable rights and obligations does not exist, revenues are deferred until all criteria for an enforceable contract are met.

We generate the majority of our revenues by providing consulting services to our clients. Most of our consulting service contracts are based on one of the following types of arrangements:

- *Time and expense arrangements* require the client to pay us based on the number of hours worked at contractually agreed-upon rates. We recognize revenues for these arrangements based on hours incurred and contracted rates utilizing a right-to-invoice practical expedient because we have a right to consideration for services completed to date. When a time and expense arrangement has a not-to-exceed or "cap" amount and we expect to perform work in excess of the cap, we recognize revenues up to the cap amount specified by the client, based on the efforts or hours incurred as a percentage of total efforts or hours expected to be incurred (i.e., proportional performance method). Certain time and materials arrangements may be subject to third-party approval, e.g., a court or other regulatory institution, with interim billing and payments made and received based upon preliminarily agreed-upon rates. In such cases, we record revenues for the portion of our services based on our assessment of the expected probability of amounts ultimately to be agreed upon by the court or regulator. These assessments are made on a case-by-case basis depending on the nature of the engagement, client economics, historical experience and other appropriate factors.

- *Fixed-fee arrangements* require the client to pay a pre-established fee in exchange for a predetermined set of professional services. We recognize revenues for these arrangements based on the proportional performance related to individual performance obligations within each arrangement; however, these arrangements generally have one performance obligation.

- *Performance-based or contingent arrangements* represent forms of variable consideration. In these arrangements, our fees are based on the attainment of contractually defined objectives with our client, such as completing a business transaction or assisting the client in achieving a specific business objective. We recognize revenues earned to date by applying the proportional performance method.

In addition, we generate certain revenues from our Technology segment that are based on units of data stored or processed. Unit-based revenues are recognized as services are provided, based on either the amount of data stored or processed, the number of concurrent users accessing the information or the number of pages or images processed for a client, and agreed-upon per unit rates.

Certain of our time and expense and fixed-fee billing arrangements may include client incentives in the form of volume-based discounts, where if certain fee levels are reached, the client can receive future services at a discounted hourly rate. Contracts with customers that have a prospective discounted pricing option based on predetermined volume thresholds are evaluated to determine whether they include a material right, which is an option that provides a customer the right to acquire free or discounted goods or services in the future. If the option provides a material right to the customer, we allocate a portion of the transaction price to the material right and defer revenues during the pre-discount period, compared with our previous practice of recognizing the reduction in revenues when customers became eligible to receive the volume discount.

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

Direct Cost of Revenues

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

Share-Based Compensation

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

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

We use the Black-Scholes pricing model to determine the fair value of stock options on the date of grant. The Black-Scholes pricing model requires the development of assumptions, including volatility and expected term, which are based on our historical experience. The risk-free interest rate is based on the term of U.S. Treasury interest rates that is consistent with the expected term of the share-based award.

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

Advertising Costs

Advertising costs consist of marketing, advertising through print and other media, professional event sponsorship and public relations. These costs are expensed as incurred. Advertising costs totaled $18.6 million, $15.5 million and $14.8 million for the years ended December 31, 2019, 2018 and 2017, respectively, and are included in "Selling, general and administrative expenses" on the Consolidated Statements of Comprehensive Income.

Acquisition-Related Contingent Consideration

The fair value of acquisition-related contingent consideration is estimated at the acquisition date utilizing either a probability weighted estimate of future cash flow adjusted for the expected timing of each payment or a Monte Carlo simulation. Subsequent to the acquisition date, on a quarterly basis, the contingent consideration liability is remeasured at current fair value with any changes recorded in earnings. Accretion expense is recorded to acquisition-related contingent consideration liabilities for changes in fair value due to the passage of time. Remeasurement gains or losses and accretion expense are included in "Selling, general and administrative expenses" on the Consolidated Statements of Comprehensive Income.

Income Taxes

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

Cash Equivalents

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

Allowance for Doubtful Accounts and Unbilled Services

We maintain an allowance for doubtful accounts and unbilled services for estimated losses resulting from potential fee reductions negotiated with specific clients or imposed by bankruptcy courts or other regulatory agencies and the inability of specific clients to pay our fees, as well as from disputes that affect our ability to fully collect our billed accounts receivable. Even if a bankruptcy court approves our services, the court has the discretion to require us to refund all or a portion of our fees due to the outcome of the case or a variety of other factors. We estimate the allowance for all receivable risks by reviewing the status of each matter and recording reserves based on our experience and knowledge of specific client collections and the Company's historical collection patterns for similar client collections. However, our actual experience may vary significantly from our estimates. If the financial condition of our clients were to deteriorate, resulting in their inability or unwillingness to pay our fees, or bankruptcy courts require us to refund certain fees, we may need to record additional allowances or write-offs in future periods. This risk related to a client's non-payment may be mitigated to the extent that we receive a retainer from some of our clients prior to performing services.

We record adjustments to the allowance for doubtful accounts and unbilled services as a reduction in revenues when there are changes in estimates of fee reductions that may be imposed by bankruptcy courts and other regulatory institutions for both billed and unbilled receivables. The allowance for doubtful accounts and unbilled services is also adjusted after the related work has been billed to the client and we discover that collectability is not reasonably assured. These adjustments are recorded to “Selling, general and administrative expenses” on the Consolidated Statements of Comprehensive Income. Our bad debt expense totaled $19.6 million, $17.9 million and $15.4 million for the years ended December 31, 2019, 2018 and 2017, respectively.

Property and Equipment

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

Notes Receivable from Employees

Notes receivable from employees principally include unsecured general recourse forgivable loans and retention payments, which are provided to attract and retain certain of our senior employees and other professionals. Generally, all of the principal amount and accrued interest of the forgivable loans we make to employees and other professionals will be forgiven according to the stated terms of the loan agreement, provided that the professional is providing services to the Company on the forgiveness date and upon other specified events, such as death or disability. Professionals who terminate their employment or services with us prior to the end of the forgiveness period are required to repay the outstanding, unforgiven loan balance and any accrued but unforgiven interest. If the termination was by the Company without cause or by the employee with good reason, or, subject to certain conditions, if the employee terminates his or her employment due to retirement or non-renewal of his or her employment agreement, the loan may be forgiven or continue to be forgivable, in whole or in part. We amortize forgivable loans ratably over the requisite service period, which ranges from a period of one year to 10 years. The amount of expense recognized at any date must at least equal to the portion of the principal forgiven on the forgiveness date.

Goodwill and Other Intangible Assets

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

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

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

We assess our goodwill for impairment at the reporting unit level. A reporting unit is an operating segment or a business one level below that operating segment if discrete financial information is available and regularly reviewed by the chief operating decision makers. Entities have an option, under certain circumstances, to perform a qualitative assessment regarding the reporting unit’s fair value to determine whether it is necessary to perform the quantitative impairment test.

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

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

We determine whether to perform a qualitative assessment first or to bypass the qualitative assessment and proceed with the quantitative goodwill impairment test for each of our reporting units based on the excess of fair value over carrying value from the most recent quantitative tests and other events or changes in circumstances that could impact the fair value of the reporting units.

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

Impairment of Long-Lived Assets

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

Leases

As of January 1, 2019, the Company adopted Accounting Standards Update ("ASU") 2016-02, *Leases*, which was amended in some respects by subsequent ASUs (collectively Accounting Standards Codification (“ASC") 842 ("ASC 842")) and supersedes existing lease guidance. The standard requires us to record operating lease assets and corresponding lease liabilities on the balance sheet and disclose key quantitative and qualitative information about our lease contracts.

Under ASC 842, we determine if a contract is a leasing arrangement at inception. Operating lease assets represent our right to control the use of an identified asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. Operating lease assets and liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. We use the incremental borrowing rate on the commencement date in determining the present value of our lease payments. We recognize operating lease expense for our operating leases on a straight-line basis over the lease term.

We lease office space and equipment under non-cancelable operating leases which may include renewal or termination options that are reasonably certain of exercise. Most leases include one or more options to renew, with renewal terms that can extend the lease term up to seven years. Leases with an initial term of 12 months or less are not recorded on the balance sheet and are expensed on a straight-line basis. Lease and non-lease components are accounted for together as a single lease component for operating leases associated with our office space and our equipment leases. We apply a portfolio approach for certain equipment leases to effectively account for the operating lease assets and liabilities.

Billings in Excess of Services Provided

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

Convertible Notes

On August 20, 2018, we issued 2.0% convertible senior notes due 2023 ("2023 Convertible Notes") with an aggregate principal amount of $316.3 million, payable semiannually in arrears on February 15 and August 15 of each year, beginning on February 15, 2019. The 2023 Convertible Notes will mature on August 15, 2023, unless earlier converted or repurchased. Upon conversion, the 2023 Convertible Notes may be settled, at our election in cash, shares of our common stock, or a combination of cash and shares of our common stock.

We separately recorded the liability and equity components of the 2023 Convertible Notes. The carrying amount of the liability component was calculated by measuring the fair value of a similar debt instrument that does not have an associated convertible feature. The carrying amount of the equity component representing the conversion option was determined by deducting the fair value of the liability component from the par value of the 2023 Convertible Notes. The equity component is not remeasured as long as it continues to meet the conditions for equity classification. The excess of the principal amount of the liability component over its carrying amount ("debt discount") is amortized to interest expense over the term of the 2023 Convertible Notes using the effective interest rate method.

We record debt issuance costs as an adjustment to the carrying amount of the related liability and equity components of our 2023 Convertible Notes. We amortize the debt discount and debt issuance costs on the liability component using the effective interest rate method over the expected life of the debt instrument.

2. New Accounting Standards

Recently Adopted Accounting Standards

In May 2014, the Financial Accounting Standards Board ("FASB") issued ASU 2014-09, *Revenue from Contracts with Customers*. On January 1, 2018, we adopted ASC 606 using the modified retrospective method and recorded an immaterial cumulative effect adjustment to the beginning balance of retained earnings for revenue contracts that existed at the adoption date. Under the modified retrospective method, prior year information has not been adjusted and continues to be reported under the accounting standards in effect for periods prior to the adoption date. We have not retroactively restated the existing contracts for modifications that occurred before January 1, 2018.

See Note 1, "Description of Business and Summary of Significant Accounting Policies" for a description of the significant accounting policies and methods used in preparation of the Consolidated Financial Statements. See Note 4, “Revenues” for the disclosures required under ASC 606. The adoption of ASC 606 had an immaterial impact on our Consolidated Statements of Comprehensive Income and Consolidated Balance Sheets and had no impact on our Consolidated Statements of Cash Flows.

In February 2016, the FASB issued ASU 2016-02, *Leases*, which was amended in some respects by subsequent ASUs. We adopted ASC 842 using the modified retrospective basis for reporting. In addition, we elected the package of practical expedients permitted under the transition guidance within the new standard, which allowed us to carry forward the historical lease classification for existing leases on the adoption date, and allowed us not to reassess whether an existing contract contains a lease or initial direct costs. As permitted by the guidance, prior comparative periods will not be adjusted under this method.

See Note 1, "Description of Business and Summary of Significant Accounting Policies" for a description of the significant accounting policies for our operating leases. See Note 14, "Leases" for the disclosures required under ASC 842. The adoption of this standard resulted in recognition of operating lease assets in the amount of $148.5 million and lease liabilities in the amount of $206.7 million for operating leases on our Consolidated Balance Sheets as of January 1, 2019. Our existing deferred rent and cease-use liabilities were $62.3 million as of December 31, 2018 and were included as a reduction to the initial measurement of our operating lease assets. Our existing prepaid rent balance was $4.1 million as of December 31, 2018 and was included as a reduction to the initial measurement of our operating lease liabilities. There was no material impact on the Consolidated Statements of Comprehensive Income, Consolidated Statements of Stockholders’ Equity or Consolidated Statements of Cash Flows.

In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework-Changes to the Disclosure Requirements for Fair Value Measurement*, which eliminates, adds and modifies certain disclosure requirements for fair value measurements. The guidance promotes a framework to help improve the effectiveness of disclosures in the notes to the financial statements and is effective for annual and interim periods beginning after December 15, 2019. We elected, as permitted by the standard, to early adopt ASU 2018-13 as of December 31, 2019 and have prospectively applied the modifications which are limited to presentation and disclosure changes that did not have a material impact on the consolidated financial statements.

Accounting Standards Not Yet Adopted

In August 2018, the FASB issued ASU 2018-15, *Internal Use Software* (Subtopic 350-40): *Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract*, which requires the Company to capitalize implementation costs of a hosting arrangement that is a service contract and expense those costs over the term of the hosting arrangement. The guidance is effective for annual and interim periods beginning after December 15, 2019 although early adoption is permitted. The Company is in the process of evaluating the impact of this new guidance on its consolidated financial statements.

3. Earnings per Common Share

Basic earnings per common share is calculated by dividing net income by the weighted average number of common shares outstanding during the period. Diluted earnings per common share adjusts basic earnings per common share for the effects of potentially dilutive common shares. Potentially dilutive common shares include the dilutive effects of shares issuable under our equity compensation plans, including restricted shares and stock options, each using the treasury stock method.

Because we expect to settle the principal amount of the outstanding 2023 Convertible Notes in cash, we use the treasury stock method for calculating the potential dilutive effect of the conversion feature on earnings per common share, if applicable. The conversion feature had a dilutive impact on earnings per common share for the year ended December 31, 2019, as the average market price per share of our common stock for the period exceeded the conversion price of $101.38 per share. See Note 13, "Debt" for additional information about the 2023 Convertible Notes.

	Year Ended December 31,		
	2019	**2018**	**2017**
Numerator — basic and diluted			
Net income	$ 216,726	$ 150,611	$ 107,962
Denominator			
Weighted average number of common shares outstanding — basic	36,774	37,098	38,697
Effect of dilutive convertible notes	62	—	—
Effect of dilutive stock options	455	491	117
Effect of dilutive restricted shares	820	729	378
Weighted average number of common shares outstanding — diluted	38,111	38,318	39,192
Earnings per common share — basic	$ 5.89	$ 4.06	$ 2.79
Earnings per common share — diluted	$ 5.69	$ 3.93	$ 2.75
Antidilutive stock options and restricted shares	19	175	1,561

4. Revenues

We generate the majority of our revenues by providing consulting services to our clients. Most of our consulting service contracts are based on one of the following types of arrangements:

- *Time and expense arrangements* require the client to pay us based on the number of hours worked at contractually agreed-upon rates. We recognize revenues for these arrangements based on hours incurred and contracted rates utilizing a right-to-invoice practical expedient because we have a right to consideration for services completed to date.

- *Fixed-fee arrangements* require the client to pay a pre-established fee in exchange for a predetermined set of professional services. We recognize revenues for these arrangements based on the proportional performance related to individual performance obligations within each arrangement; however, these arrangements generally have one performance obligation.

- *Performance-based or contingent arrangements* represent forms of variable consideration. In these arrangements, our fees are based on the attainment of contractually defined objectives with our client, such as completing a business transaction or assisting the client in achieving a specific business objective. We recognize revenues earned to date by applying the proportional performance method.

Revenues are recognized when we satisfy a performance obligation by transferring services promised in a contract to a customer and in an amount that reflects the consideration that we expect to receive in exchange for those services. Performance obligations in our contracts represent distinct or separate services that we provide to our customers.

Revenues recognized during the current period may include revenues from performance obligations satisfied or partially satisfied in previous periods. This primarily occurs when the estimated transaction price has changed based on our current probability assessment over whether the agreed-upon outcome for our performance-based and contingent arrangements will be achieved. The aggregate amount of revenues recognized related to a change in the transaction price in the current period, which related to performance obligations satisfied or partially satisfied in a prior period, was $28.9 million and $16.1 million for the years ended December 31, 2019 and 2018, respectively.

Unfulfilled performance obligations represent the remaining contract transaction prices allocated to the performance obligations that are unsatisfied. Unfulfilled performance obligations primarily consist of fees not yet recognized on a proportional performance basis for fixed-fee arrangements and performance-based and contingent arrangements. As of December 31, 2019 and December 31, 2018, the aggregate amount of the remaining contract transaction price allocated to unfulfilled performance obligations was $2.3 million and $8.8 million, respectively, and we expect to recognize the majority of the related revenues over the next 24 months. We elected to utilize the optional exemption to exclude from this disclosure fixed-fee and performance-based and contingent arrangements with an original expected duration of one year or less and to exclude our time and expense arrangements for which revenues are recognized using the right-to-invoice practical expedient.

Contract assets are defined as assets for which we have recorded revenue but are not yet entitled to receive our fees because certain events, such as completion of the measurement period or client approval, must occur. The contract asset balance was $1.3 million and $2.4 million as of December 31, 2019 and 2018, respectively.

Contract liabilities are defined as liabilities incurred when we have received consideration but have not yet performed the agreed-upon services. This may occur when clients pay us upfront fees before we begin work for them. The contract liability balance was immaterial as of December 31, 2019 and 2018.

5. Special Charges

There were no special charges recorded during the years ended December 31, 2019 and December 31, 2018.

During the year ended December 31, 2017, we recorded special charges of $40.9 million. The charges related to certain targeted reductions in areas of each segment where we needed to realign our workforce with then-current business demand. In addition, cost-cutting actions were taken in certain corporate departments where we were able to streamline support activities and reduce our real estate costs. The special charge included the following components:

- $23.5 million of employee severance and other employee-related costs;
- $14.4 million of exit costs associated with the curtailment of our lease on our executive office in Washington, D.C.; and
- $3.0 million of other expenses, including costs related to disposing or closing several small international offices.

6. Share-Based Compensation

Share-Based Incentive Compensation Plans

Under the Company's 2017 Omnibus Incentive Compensation Plan, effective as of June 7, 2017, there were 1,396,183 shares of common stock available for grant as of December 31, 2019.

Share-Based Compensation Expense

The table below reflects the total share-based compensation expense recognized in our Consolidated Statements of Comprehensive Income for the years ended December 31, 2019, 2018 and 2017.

	2019		2018		2017	
Income Statement Classification	Options [(1)]	Restricted Shares [(2)]	Options [(1)]	Restricted Shares [(2)]	Options [(1)]	Restricted Shares [(2)]
Direct cost of revenues	$ 497	$ 11,869	$ 780	$ 9,804	$ 370	$ 9,691
Selling, general and administrative expenses	2,628	9,005	2,027	8,191	1,207	4,870
Special charges	—	—	—	—	—	269
Total	$ 3,125	$ 20,874	$ 2,807	$ 17,995	$ 1,577	$ 14,830

(1) Includes options and cash-settled stock appreciation rights.

(2) Includes restricted share awards, restricted stock units, performance stock units and cash-settled restricted stock units.

Stock Options

We did not grant any options during the years ended December 31, 2019 and 2018. We used the Black-Scholes option-pricing model to determine the fair value of our option grants during the year ended December 31, 2017 using the assumptions in the table below.

Assumptions	Year Ended December 31, 2017
Risk-free interest rate	1.60%
Dividend yield	—%
Expected term	3 years
Stock price volatility	31.94%

A summary of our stock option activity during the year ended December 31, 2019 is presented below. The aggregate intrinsic value of stock options outstanding and exercisable, or fully vested, at December 31, 2019 in the table below represents the total pre-tax intrinsic value, which is calculated as the difference between the closing price of our common stock on the last trading day of 2019 and the exercise price, multiplied by the number of in-the-money options that would have been received by the option holders had all option holders exercised their options on December 31, 2019. The aggregate intrinsic value changes based on fluctuations in the fair market value per share of our common stock.

	Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (in Years)	Aggregate Intrinsic Value
Stock options outstanding at December 31, 2018	935	$ 36.50		
Stock options granted	—	N/A		
Stock options exercised	(256)	$ 37.88		
Stock options forfeited	(1)	$ 30.28		
Stock options outstanding at December 31, 2019	678	$ 35.98	4.7	$ 50,669
Stock options exercisable at December 31, 2019	605	$ 35.75	4.6	$ 45,343

Cash received from option exercises for the years ended December 31, 2019, 2018 and 2017 was $9.7 million, $41.6 million and $4.1 million, respectively. The tax benefit realized from stock options exercised totaled $0.7 million, $4.0 million and $1.1 million for the years ended December 31, 2019, 2018 and 2017, respectively.

The intrinsic value of stock options exercised is the amount by which the market value of our common stock on the exercise date exceeds the exercise price. The total intrinsic value of stock options exercised for the years ended December 31, 2019, 2018 and 2017 was $13.2 million, $26.4 million and $0.9 million, respectively.

The following is a summary of stock options outstanding and exercisable as of December 31, 2019.

	Options Outstanding			Options Exercisable	
Exercise Price Range	Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (in Years)	Shares	Weighted Average Exercise Price
$26.68-$33.95	137	$ 31.46	3.7	124	$ 31.53
$34.33-$34.62	138	$ 34.40	5.4	138	$ 34.40
$35.73-$36.87	195	$ 36.67	4.4	188	$ 36.68
$36.89-$40.36	202	$ 39.28	5.4	149	$ 39.12
$41.69-$41.69	6	$ 41.69	0.3	6	$ 41.69
	678			605	

As of December 31, 2019, there was $0.1 million of unrecognized compensation cost related to unvested stock options. That cost is expected to be recognized ratably over a weighted average period of 0.2 years.

Restricted Share Awards

A summary of our restricted share activity during the year ended December 31, 2019 is presented below.

	Shares	Weighted Average Grant Date Fair Value
Unvested restricted share awards outstanding at December 31, 2018	992	$ 43.76
Restricted share awards granted	222	$ 81.64
Restricted share awards vested	(229)	$ 43.04
Restricted share awards forfeited	(28)	$ 38.87
Unvested restricted share awards outstanding at December 31, 2019	957	$ 52.86

As of December 31, 2019, there was $27.5 million of unrecognized compensation cost related to unvested restricted share awards. That cost is expected to be recognized ratably over a weighted average period of 4.0 years. The total fair value of restricted share awards that vested during the years ended December 31, 2019, 2018 and 2017 was $18.6 million, $10.4 million and $9.9 million, respectively.

Restricted Stock Units

A summary of our restricted stock units activity during the year ended December 31, 2019 is presented below.

	Shares	Weighted Average Grant Date Fair Value
Restricted stock units outstanding at December 31, 2018	335	$ 39.72
Restricted stock units granted	30	$ 82.39
Restricted stock units released	(52)	$ 42.15
Restricted stock units forfeited	—	N/A
Restricted stock units outstanding at December 31, 2019	313	$ 43.45

As of December 31, 2019, there was $0.8 million of unrecognized compensation cost related to unvested restricted stock units. That cost is expected to be recognized ratably over a weighted average period of 2.8 years. The total fair value of restricted stock units released for the years ended December 31, 2019, 2018 and 2017 was $4.5 million, $5.4 million and $4.1 million, respectively.

Performance Stock Units

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

A summary of our performance stock units activity during the year ended December 31, 2019 is presented below.

	Shares	Weighted Average Grant Date Fair Value
Performance stock units outstanding at December 31, 2018	275	$ 42.60
Performance stock units granted [1]	170	$ 77.67
Performance stock units released	(84)	$ 35.75
Performance stock units forfeited	—	N/A
Performance stock units outstanding at December 31, 2019	361	$ 60.67

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

As of December 31, 2019, there was $6.3 million of unrecognized compensation cost related to unvested performance stock units. That cost is expected to be recognized ratably over a weighted average period of 1.1 years. The total fair value of performance stock units that released during the years ended December 31, 2019 and 2018 was $5.8 million and $1.4 million, respectively. There were no performance stock units that released during the year ended December 31, 2017.

The table below reflects the weighted average grant date fair value per share of stock options, restricted share awards, restricted stock units and performance stock units awarded during the years ended December 31, 2019, 2018 and 2017. The fair value of our stock options is calculated using the Black-Scholes option-pricing model. The fair value of our restricted stock awards, restricted stock units and our performance stock units that are subject to performance conditions is determined based on the closing market price per share of our common stock on the grant date. The fair value of our performance stock units that are subject to market conditions reflects the market conditions as of the grant date using a Monte Carlo simulation.

	Year Ended December 31,		
	2019	2018	2017
Weighted average fair value of grants			
Stock options	$ —	$ —	$ 9.56
Restricted share awards, restricted stock units and performance stock units	$ 80.10	$ 51.73	$ 38.88

7. Interest Income and Other

The table below presents the components of "Interest income and other" as shown on the Consolidated Statements of Comprehensive Income.

	Year Ended December 31,		
Interest Income and Other	2019	2018	2017
Interest income	$ 4,761	$ 5,448	$ 3,968
Foreign exchange transaction gains (losses), net	(3,056)	261	(77)
Other	356	(732)	(139)
Total	$ 2,061	$ 4,977	$ 3,752

8. Balance Sheet Details

	December 31,	
	2019	2018
Prepaid expenses and other current assets		
Prepaid expenses	$ 39,740	$ 35,762
Income tax receivable	8,161	18,947
Other current assets	32,909	14,739
Total	$ 80,810	$ 69,448
Accounts payable, accrued expenses and other		
Accounts payable	$ 18,346	$ 17,728
Accrued expenses	46,511	52,461
Accrued interest payable	2,243	2,358
Accrued taxes payable	35,895	13,119
Current operating lease liabilities	35,727	—
Other current liabilities	20,214	18,934
Total	$ 158,936	$ 104,600

9. Property and Equipment

Property and equipment consist of the following.

	December 31,	
	2019	2018
Leasehold improvements	$ 99,837	$ 88,623
Construction in progress	4,359	2,754
Furniture and equipment	36,698	34,865
Computer equipment and software	119,904	106,318
	260,798	232,560
Accumulated depreciation	(167,126)	(147,983)
Property and equipment, net	$ 93,672	$ 84,577

Depreciation expense for property and equipment totaled $30.1 million, $26.2 million and $24.4 million during the years ended December 31, 2019, 2018 and 2017, respectively.

10. Goodwill and Other Intangible Assets

Goodwill

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

	Corporate Finance	FLC	Economic Consulting	Technology	Strategic Communications	Total
Balance at December 31, 2017						
Goodwill	$ 454,816	$ 233,719	$ 268,995	$ 117,740	$ 323,672	$ 1,398,942
Accumulated goodwill impairment	—	—	—	—	(194,139)	(194,139)
Goodwill, net at December 31, 2017	454,816	233,719	268,995	117,740	129,533	1,204,803
Sale of business [1]	—	—	—	(20,928)	—	(20,928)
Foreign currency translation adjustment and other	(3,819)	(2,182)	(448)	(89)	(5,021)	(11,559)
Balance at December 31, 2018						
Goodwill	450,997	231,537	268,547	96,723	318,651	1,366,455
Accumulated goodwill impairment	—	—	—	—	(194,139)	(194,139)
Goodwill, net at December 31, 2018	450,997	231,537	268,547	96,723	124,512	1,172,316
Acquisitions [2]	27,389	—	—	—	—	27,389
Foreign currency translation adjustment and other	456	583	130	47	1,846	3,062
Balance at December 31, 2019						
Goodwill	478,842	232,120	268,677	96,770	320,497	1,396,906
Accumulated goodwill impairment	—	—	—	—	(194,139)	(194,139)
Goodwill, net at December 31, 2019	$ 478,842	$ 232,120	$ 268,677	$ 96,770	$ 126,358	$ 1,202,767

(1) During the year ended December 31, 2018, we sold a business within our Technology segment for proceeds of $50.3 million. We wrote off $20.9 million in goodwill as a result of the sale.

(2) During the year ended December 31, 2019, we acquired a restructuring business that was assigned to the Corporate Finance segment. We recorded $27.4 million in goodwill based on a preliminary purchase price allocation as a result of the acquisition. We have included the results of the acquired business's operations in the Corporate Finance segment since its acquisition date.

Other Intangible Assets

Other intangible assets were as follows:

	Weighted Average Useful Life in Years	December 31, 2019 Gross Carrying Amount	December 31, 2019 Accumulated Amortization	December 31, 2019 Net Carrying Amount	December 31, 2018 Gross Carrying Amount	December 31, 2018 Accumulated Amortization	December 31, 2018 Net Carrying Amount
Amortizing intangible assets							
Customer relationships [1]	14.2	$ 99,613	$ 76,808	$ 22,805	$ 99,080	$ 71,036	$ 28,044
Trademarks [1]	6.0	9,855	653	9,202	—	—	—
Acquired software and other [1]	9.1	3,386	2,061	1,325	3,107	1,618	1,489
	13.4	112,854	79,522	33,332	102,187	72,654	29,533
Non-amortizing intangible assets							
Trademarks	Indefinite	5,100	—	5,100	5,100	—	5,100
Total		$ 117,954	$ 79,522	$ 38,432	$ 107,287	$ 72,654	$ 34,633

(1) During the year ended December 31, 2019, we acquired a restructuring business and its related intangible assets that were assigned to the Corporate Finance segment.

Other intangible assets with finite lives are amortized over their estimated useful lives. We recorded amortization expense of $8.2 million, $8.2 million and $10.6 million during the years ended December 31, 2019, 2018 and 2017, respectively.

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

Year	As of December 31, 2019 [1]
2020	$ 9,393
2021	8,861
2022	7,028
2023	3,604
2024	2,207
Thereafter	2,239
	$ 33,332

(1) Actual amortization expense to be reported in future periods could differ from these estimates as a result of new intangible asset acquisitions, changes in useful lives, or other relevant factors or changes.

11. Notes Receivable from Employees

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

	December 31, 2019	December 31, 2018
Notes receivable from employees — beginning	$ 113,699	$ 123,796
Notes granted	28,879	32,937
Repayments	(13,179)	(5,405)
Amortization	(26,294)	(36,418)
Cumulative translation adjustment and other	1,034	(1,211)
Notes receivable from employees — ending	104,139	113,699
Less: current portion	(35,106)	(29,228)
Notes receivable from employees, net of current portion	$ 69,033	$ 84,471

As of December 31, 2019 and 2018, there were 303 and 294 notes outstanding, respectively. Total amortization expense for the years ended December 31, 2019, 2018 and 2017 was $26.3 million, $36.4 million and $26.8 million, respectively.

12. Financial Instruments

The following table presents the carrying amounts and estimated fair values of our other financial instruments by hierarchy level as of December 31, 2019 and 2018.

	December 31, 2019			
		Hierarchy Level (Fair Value)		
	Carrying Amount	Level 1	Level 2	Level 3
Liabilities				
Acquisition-related contingent consideration, including current portion [1] [2]	$ 14,826	$ —	$ —	$ 14,826
Long-term debt [3]	275,609	—	398,016	—
Total	$ 290,435	$ —	$ 398,016	$ 14,826

	December 31, 2018			
		Hierarchy Level (Fair Value)		
	Carrying Amount	Level 1	Level 2	Level 3
Liabilities				
Acquisition-related contingent consideration, including current portion [1]	$ 3,698	$ —	$ —	$ 3,698
Long-term debt [3]	265,571	—	291,837	—
Total	$ 269,269	$ —	$ 291,837	$ 3,698

(1) The short-term portion is included in “Accounts payable, accrued expenses and other,” and the long-term portion is included in “Other liabilities” on the Consolidated Balance Sheets.

(2) During the year ended December 31, 2019, we acquired a restructuring business that was assigned to the Corporate Finance segment.

(3) The carrying values include unamortized deferred debt issue costs and debt discount.

The fair value of financial instruments not included in this table are estimated to be equal to their carrying value as of December 31, 2019 and 2018.

We estimate the fair value of our 2023 Convertible Notes based on their last actively traded prices. The fair value of our debt is classified within Level 2 of the fair value hierarchy because it is traded in less active markets.

We estimate the fair value of acquisition-related contingent consideration using either a probability-weighted discounted cash flow model or a Monte Carlo simulation. These fair value estimates represent Level 3 measurements as they are based on significant inputs not observed in the market and reflect our own assumptions. We have multiple valuation models that use different inputs and assumptions based on the timing of the acquisitions. As a result, the significant unobservable inputs used in these models vary. The acquisition-related contingent consideration subject to the probability-weighted discounted cash flow model was valued using significant unobservable inputs including a discount rate of 13.5% and future cash flows. The acquisition-related contingent consideration subject to the Monte Carlo simulation was valued using significant unobservable inputs including a volatility rate of 30.0% and a discount rate of 13.6%, which reflects the weighted average of our cost of debt and adjusted cost of equity of the acquired company. Significant increases (decreases) in these unobservable inputs in isolation would result in a significantly lower (higher) fair value. We reassess the fair value of our acquisition-related contingent consideration at each reporting period based on additional information as it becomes available.

The change in our liability for acquisition-related contingent consideration for our Level 3 financial instruments is as follows:

	Liability for Acquisition-Related Contingent Consideration
Balance at December 31, 2016	$ 5,692
Additions [(1)]	3,426
Accretion for time value of money [(2)]	1,589
Remeasurement gain [(3)]	702
Payments	(5,161)
Transfer out	(2,498)
Balance at December 31, 2017	$ 3,750
Accretion for time value of money [(2)]	479
Payments	(531)
Balance at December 31, 2018	$ 3,698
Additions [(1)]	9,746
Accretion for time value of money [(2)]	2,372
Payments	(1,000)
Foreign currency translation adjustment [(4)]	10
Balance at December 31, 2019	$ 14,826

(1) We acquired restructuring businesses that were assigned to the Corporate Finance segment during the years ended December 31, 2017 and 2019.

(2) Accretion for the time value of money is included in "Selling, general and administrative expenses" on the Consolidated Statements of Comprehensive Income.

(3) Remeasurement gain or loss resulting from a change in the fair value of an acquisition's contingent consideration liability is recorded in “Selling, general and administrative expenses” on the Consolidated Statements of Comprehensive Income.

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

13. Debt

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

	December 31, 2019	December 31, 2018
2023 Convertible Notes	$ 316,250	$ 316,250
Total debt	316,250	316,250
Less: deferred debt discount	(35,393)	(43,998)
Less: deferred debt issue costs	(5,248)	(6,681)
Long-term debt, net [(1)]	$ 275,609	$ 265,571
Additional paid-in capital	$ 35,306	$ 35,306
Discount attribution to equity	(1,175)	(1,175)
Equity component, net	$ 34,131	$ 34,131

(1) There were no current portions of long-term debt as of December 31, 2019 and 2018.

2023 Convertible Notes

On August 20, 2018, we issued the 2023 Convertible Notes in an aggregate principal amount of $316.3 million. The 2023 Convertible Notes bear interest at a fixed rate of 2.0% per year, payable semiannually in arrears on February 15 and August 15 of each year, and will mature on August 15, 2023, unless earlier converted or repurchased. The 2023 Convertible Notes are senior unsecured obligations of the Company.

The 2023 Convertible Notes are convertible at an initial conversion rate of 9.8643 shares of our common stock per $1,000 principal amount of the 2023 Convertible Notes (equivalent to an initial conversion price of approximately $101.38 per share of common stock). Holders may convert their 2023 Convertible Notes at any time prior to the close of business on the business day immediately preceding May 15, 2023 only under the following circumstances: (1) during any calendar quarter commencing after the calendar quarter ending on September 30, 2018 (and only during such calendar quarter), if the last reported sale price of our common stock for at least 20 trading days (whether or not consecutive) during a period of 30 consecutive trading days ending on, and including, the last trading day of the immediately preceding calendar quarter is greater than or equal to 130% of the conversion price on each applicable trading day; (2) during the five business day period after any five consecutive trading day period (the "Measurement Period") in which the trading price (as defined in the indenture governing the 2023 Convertible Notes) per $1,000 principal amount of the 2023 Convertible Notes for each trading day of the Measurement Period was less than 98% of the product of the last reported sale price of our common stock and the conversion rate in effect on each such trading day; or (3) upon the occurrence of specified corporate events. On or after May 15, 2023, until the close of business on the business day immediately preceding the maturity date of August 15, 2023, holders may convert their 2023 Convertible Notes at any time, regardless of the foregoing circumstances. The circumstances required to allow the holders to convert their 2023 Convertible Notes were not met as of December 31, 2019.

If we undergo a fundamental change (as defined in the indenture governing the 2023 Convertible Notes), subject to certain conditions, holders may require us to repurchase for cash all or part of their 2023 Convertible Notes.

The debt discount is amortized to interest expense over the term of the 2023 Convertible Notes using the effective interest rate method.

We incurred debt issue costs and allocated the total amount to the liability and equity components of the 2023 Convertible Notes based on their relative values. The debt issue costs attributable to the liability component are amortized to interest expense over the term of the 2023 Convertible Notes using the effective interest rate method. Issuance costs attributable to the equity component were netted with the equity component in stockholders' equity.

The table below summarizes the amount of interest cost recognized by us for both the contractual interest expense and amortization of the debt discount for the 2023 Convertible Notes:

	December 31,	
	2019	2018
Contractual interest expense	$ 6,325	$ 2,302
Amortization of debt discount [(1)]	8,606	3,018
Total	$ 14,931	$ 5,320

(1) The effective interest rate of the liability component was 5.45%.

2022 Notes

On November 15, 2018, we redeemed the $300.0 million outstanding principal amount of our 6.0% senior notes due 2022 ("2022 Notes"), pursuant to the terms of the indenture governing the 2022 Notes. We recognized a loss on early extinguishment of debt of $9.1 million, consisting primarily of a redemption premium of $6.0 million and a $3.1 million non-cash write-off of unamortized deferred financing costs. This loss has been recorded in “Loss on early extinguishment of debt” within the Consolidated Statements of Comprehensive Income.

Credit Facility

On June 26, 2015, we entered into a credit agreement, which provides for a $550.0 million senior secured revolving credit facility ("Original Credit Facility") maturing on June 26, 2020. In November 2018, we amended and restated the credit agreement to the Original Credit Facility, to, among other things, extend the maturity to November 30, 2023 and incurred an additional $1.7 million of debt issuance costs (the Original Credit Facility as amended and restated, the “Credit Facility”). At the Company’s option, borrowings under the Credit Facility in USD, euro and British pound will bear interest at either one-, two- or three-month London Interbank Offered Rate ("LIBOR") or an alternative base rate, in each case plus the applicable margin. The applicable margin will fluctuate between 1.25% per annum and 2.00% per annum, in the case of LIBOR borrowings, or between 0.25% per annum and 1.00% per annum, in the case of base rate borrowings, in each case, based upon the Company’s Consolidated Total Net Leverage Ratio (as defined in the Credit Facility) at such time. The lenders have a security interest in substantially all of the assets of the Company and substantially all of its domestic subsidiaries.

Under the Credit Facility, we are required to pay a commitment fee rate that fluctuates between 0.20% and 0.35% per annum and a letter of credit fee rate that fluctuates between 1.25% and 2.00% per annum, in each case, based upon the Company’s Consolidated Total Net Leverage Ratio.

There were no borrowings outstanding under the Credit Facility as of December 31, 2019 and 2018. Additionally, $1.0 million of the borrowing limit was used (and, therefore, unavailable) as of December 31, 2019 for letters of credit.

There were $2.0 million and $3.6 million of unamortized debt issue costs related to the Credit Facility as of December 31, 2019 and 2018, respectively. These amounts were included in “Other assets” on our Consolidated Balance Sheets.

14. Leases

We lease office space and equipment under non-cancelable operating leases. We recognize operating lease expense on a straight-line basis over the lease term. Leases with an initial term of 12 months or less are not recorded on the balance sheet and are expensed on a straight-line basis. Most leases include one or more options to renew, with renewal terms that can extend the lease term from six months to seven years. The exercise of lease renewal options is at our sole discretion. Certain of our lease agreements include rental payments that are adjusted periodically for inflation. Our lease agreements do not contain any material residual value guarantees or material restrictive covenants.

The table below summarizes the carrying amount of our operating lease assets and liabilities:

Leases	**Classification**		**As of December 31, 2019**
Assets			
Operating lease assets	Operating lease assets	$	159,777
Total lease assets		$	159,777
Liabilities			
Current			
Operating lease liabilities	Accounts payable, accrued expenses and other	$	35,727
Noncurrent			
Operating lease liabilities	Noncurrent operating lease liabilities		176,378
Total lease liabilities		$	212,105

The table below summarizes total lease costs for the year ended December 31, 2019:

Lease Cost		**Year Ended December 31, 2019**
Operating lease costs	$	45,144
Short-term lease costs		3,173
Variable lease costs		11,962
Sublease income		(5,015)
Total lease cost	$	55,264

We sublease certain of our leased office spaces to third parties. Our sublease portfolio consists of leases of office space that we have vacated before the lease term expiration. Operating lease expense on vacated office space is reduced by sublease rental income, which is recorded to selling, general and administrative ("SG&A") expenses on the Consolidated Statements of Comprehensive Income. Our sublease arrangements do not contain renewal options or restrictive covenants. We estimate future sublease rental income to be $4.9 million in 2020, $4.5 million in 2021, $0.7 million in 2022, $0.6 million in 2023, $0.6 million in 2024 and $0.3 million in years beyond 2024.

The maturity analysis below summarizes the remaining future undiscounted cash flows for our operating leases, a reconciliation to operating lease liabilities reported on the Consolidated Balance Sheets, our weighted average remaining lease term and weighted average discount rate:

		As of December 31, 2019
2020	$	45,849
2021		51,331
2022		32,194
2023		26,896
2024		23,654
Thereafter		77,162
Total future lease payments		257,086
Less: imputed interest		(44,981)
Total	$	212,105

Weighted average remaining lease term (years)	
Operating leases	6.5
Weighted average discount rate	
Operating leases	5.6%

The table below summarizes cash paid for our operating lease liabilities and other non-cash information:

		Year Ended December 31, 2019
Cash paid for amounts included in the measurement of operating lease liabilities	$	46,079
Operating lease assets obtained in exchange for lease liabilities	$	37,774

Operating Lease Commitments

Under ASC 840, *Leases*, our future minimum payments for all operating lease obligations that have initial non-cancelable lease terms exceeding one year, net of rental income from subleases as of December 31, 2018, were as follows:

		Operating Leases		Sublease Rental Income
2019	$	49,757	$	4,760
2020		47,084		3,944
2021		44,480		3,864
2022		24,471		707
2023		20,309		614
Thereafter		75,190		939
Total	$	261,291	$	14,828

15. Commitments and Contingencies

We are subject to legal actions arising in the ordinary course of business. In management's opinion, we believe we have adequate legal defenses and/or insurance coverage with respect to the eventuality of such actions. We do not believe any settlement or judgment relating to any pending legal action would materially affect our financial position or results of operations.

16. Income Taxes

On December 22, 2017, the 2017 U.S. Tax Cuts and Jobs Act (the "2017 Tax Act") was signed into law. The 2017 Tax Act included a number of changes to the U.S. Internal Revenue Code, including a reduction of the U.S. corporate income tax rate from 35% to 21% for tax years beginning after December 31, 2017, and a one-time transition tax on certain unrepatriated foreign earnings (the "Transition Tax"). Prospective changes from the 2017 Tax Act that began in 2018 include imposed limitations on the deductibility of executive compensation and interest, a general elimination of U.S. federal income taxes on dividends from foreign subsidiaries, and a new provision designed to tax global intangible low-taxed income ("GILTI"). The Company has made an accounting policy election to account for the tax effects of the GILTI provision as a period cost.

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

	Year Ended December 31,	
	2019	2018
Deferred tax assets		
Allowance for doubtful accounts	$ 13,041	$ 11,792
Accrued vacation and bonus	27,438	23,545
Deferred rent	—	9,016
Share-based compensation	12,647	11,837
Notes receivable from employees	12,187	12,993
State net operating loss carryforward	2,066	3,510
Foreign net operating loss carryforward	9,388	9,857
Federal tax credit and capital loss carryforward	7,336	9,470
Deferred compensation	2,117	1,801
Operating lease assets	43,397	—
Employee benefits obligations	1,191	943
Other, net	1,898	186
Total deferred tax assets	132,706	94,950
Deferred tax liabilities		
Revenue recognition	(6,732)	(5,087)
Operating lease liabilities	(29,671)	—
Property and equipment, net	(3,797)	(6,652)
Equity debt discount	(8,890)	(11,014)
Goodwill and other intangible assets	(209,250)	(199,964)
Total deferred tax liabilities	(258,340)	(222,717)
Foreign withholding tax	(1,195)	(413)
Valuation allowance	(19,865)	(21,929)
Net deferred tax liabilities	$ (146,694)	$ (150,109)

As of December 31, 2019 and 2018, the Company recorded certain deferred tax assets related to foreign tax credits, capital losses and foreign net operating loss carryforwards, which can be carried forward for periods ranging from 10 years to indefinite. Based on forward-looking financial information, the Company believes it is not more likely than not that the attributes will be utilized. Therefore, valuation allowances of $19.9 million and $21.9 million are recorded against the Company's deferred tax assets as of December 31, 2019 and 2018, respectively.

As of December 31, 2019, the Company has not recorded a $22.9 million deferred tax liability related to the basis difference in the investment in our foreign subsidiaries, as the investment is considered permanent in nature.

The table below summarizes the components of income before income tax provision (benefit) from continuing operations.

	Year Ended December 31,		
	2019	2018	2017
Domestic	$ 150,860	$ 96,543	$ 30,013
Foreign	137,590	111,249	57,092
Total	$ 288,450	$ 207,792	$ 87,105

The table below summarizes the components of income tax provision (benefit) from continuing operations.

	Year Ended December 31,		
	2019	2018	2017
Current			
Federal	$ 30,651	$ 10,847	$ 15,164
State	7,702	4,447	742
Foreign	37,083	21,056	14,816
	75,436	36,350	30,722
Deferred			
Federal	(1,767)	14,538	(47,820)
State	785	503	(152)
Foreign	(2,730)	5,790	(3,607)
	(3,712)	20,831	(51,579)
Income tax provision (benefit)	$ 71,724	$ 57,181	$ (20,857)

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

	Year Ended December 31,		
	2019	2018	2017
Income tax expense at federal statutory rate	$ 60,575	$ 43,636	$ 30,487
State income taxes, net of federal benefit	8,430	4,950	781
Detriment (benefit) from foreign tax rates	3,425	3,655	(8,500)
Valuation allowance on foreign net operating loss carryforward	260	(450)	253
Other expenses not deductible for tax purposes	4,362	3,543	2,466
Adjustment to reserve for uncertain tax positions	2,504	(132)	456
Impact of 2017 U.S. tax reform — deferred tax	—	(706)	(63,525)
Impact of 2017 U.S. tax reform — Transition Tax	(1,088)	50	18,655
Sale of Ringtail business	(2,097)	3,798	—
Equity-based compensation	(4,447)	(1,371)	809
Other adjustments, net	(200)	208	(2,739)
Income tax provision (benefit)	$ 71,724	$ 57,181	$ (20,857)

The income tax expense for the years ended December 31, 2019 and 2018 was $71.7 million and $57.2 million, respectively. The increase in expense is primarily attributable to higher pre-tax income in 2019 as compared with 2018.

We file numerous consolidated and separate income tax returns in the U.S. federal jurisdiction and in many city, state and foreign jurisdictions. We are no longer subject to U.S. federal income tax examinations for years prior to 2015. We are also no longer subject to state and local or foreign tax examinations by tax authorities for years prior to 2013.

Our liability for uncertain tax positions was $11.1 million and $3.7 million as of December 31, 2019 and 2018, respectively. The Company does not expect any of the uncertain tax positions to settle within the next 12 months. As of December 31, 2019, our accrual for the payment of tax-related interest and penalties was not significant.

17. Stockholders' Equity

2016 Stock Repurchase Program

On June 2, 2016, our Board of Directors authorized a stock repurchase program of up to $100.0 million (the "Repurchase Program"). On each of May 18, 2017, December 1, 2017 and February 21, 2019, our Board of Directors authorized an additional $100.0 million, respectively, increasing the Repurchase Program to an aggregate authorization of $400.0 million. No time limit has been established for the completion of the Repurchase Program and the Repurchase Program may be suspended, discontinued or replaced by the Board of Directors at any time without prior notice. As of December 31, 2019, we have $66.6 million available under this program to repurchase additional shares.

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

	Year Ended December 31,		
	2019	2018	2017
Shares of common stock repurchased and retired	1,258	756	4,674
Average price per share	$ 84.16	$ 53.88	$ 35.94
Total cost	$ 105,915	$ 40,722	$ 168,001

2018 Repurchase Transaction

On August 13, 2018, our Board of Directors authorized the use of a portion of the proceeds from the issuance of the 2023 Convertible Notes to repurchase up to $25.0 million of common stock. On August 16, 2018, 196,050 shares of our common stock were repurchased at $76.51 per share for a total cost of $15.0 million. This is a separate repurchase transaction outside of the Repurchase Program.

18. Employee Benefit Plans

We maintain a qualified defined contribution 401(k) plan, which covers substantially all of our U.S. employees. Under the plan, participants are entitled to make pre-tax and/or Roth post-tax contributions up to the annual maximums established by the Internal Revenue Service. We match a certain percentage of participant contributions pursuant to the terms of the plan, which contributions are limited to a percentage of the participant's eligible compensation. Effective in 2018, we increased our matching percentage. We made contributions related to the plan of $17.4 million, $15.2 million and $11.6 million during the years ended December 31, 2019, 2018 and 2017, respectively.

We also maintain several defined contribution pension plans for our employees in the United Kingdom and other foreign countries. We contributed to these plans $7.3 million, $7.7 million and $6.4 million during the years ended December 31, 2019, 2018 and 2017, respectively.

19. Segment Reporting

We manage our business in five reportable segments: Corporate Finance, FLC, Economic Consulting, Technology and Strategic Communications.

Our Corporate Finance segment focuses on the strategic, operational, financial, transactional and capital needs of our clients around the world and delivers a wide range of service offerings related to restructuring, business transformation and transactions. Our restructuring practice includes corporate restructuring, including bankruptcy and interim management services. Our business transformation and transactions practices include financial, operational and performance improvement services, as well as due diligence, financing advisory, mergers and acquisitions ("M&A") advisory, M&A integration, carveout support and valuations.

Our FLC segment provides law firms, companies, government clients and other interested parties with multidisciplinary and independent services related to risk advisory, investigations and disputes. We have expertise in anti-corruption/anti-money laundering investigations and compliance, cybersecurity, data analytics, export controls and sanctions, and monitorship. We offer specialized industry expertise in the areas of insurance, construction, healthcare, environmental and trial services.

Our Economic Consulting segment provides law firms, companies, government entities and other interested parties with analysis of complex economic issues for use in legal, regulatory and international arbitration proceedings, strategic decision making and public policy debates in the U.S. and around the world.

Our Technology segment provides companies and law firms with a comprehensive and global portfolio of consulting and services for information governance, privacy and security, electronic discovery and insight analytics. Our consulting expertise enables clients to more confidently govern, secure, find, analyze and rapidly understand their data in the context of compliance and risk.

Our Strategic Communications segment designs and executes communications strategies for CEOs, management teams and boards of directors that help them seize opportunities, manage financial, regulatory and reputational challenges, navigate market disruptions, articulate their corporate brand, stake a competitive position, and preserve their freedom to operate.

We evaluate the performance of our operating segments based on Adjusted Segment EBITDA, a GAAP financial measure. We define Adjusted Segment EBITDA as a segment'

The table below presents revenues and Adjusted Segment EBITDA for our reportable segments for the years ended December 31, 2019, 2018 and 2017.

	Year Ended December 31,		
	2019	2018	2017
Revenues			
Corporate Finance	$ 723,721	$ 564,479	$ 482,041
FLC	577,780	520,333	462,324
Economic Consulting	592,542	533,979	496,029
Technology	215,584	185,755	174,850
Strategic Communications	243,090	223,331	192,488
Total revenues	$ 2,352,717	$ 2,027,877	$ 1,807,732
Adjusted Segment EBITDA			
Corporate Finance	$ 160,735	$ 121,660	$ 82,863
FLC	104,435	96,821	72,705
Economic Consulting	84,112	69,955	61,964
Technology	45,688	27,387	22,171
Strategic Communications	44,544	42,918	27,732
Total Adjusted Segment EBITDA	$ 439,514	$ 358,741	$ 267,435

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

	Year Ended December 31,		
	2019	2018	2017
Net income	$ 216,726	$ 150,611	$ 107,962
Add back:			
Income tax provision (benefit)	71,724	57,181	(20,857)
Interest income and other	(2,061)	(4,977)	(3,752)
Interest expense	19,206	27,149	25,358
Gain on sale of business	—	(13,031)	—
Loss on early extinguishment of debt	—	9,072	—
Unallocated corporate expenses	98,398	96,595	83,140
Segment depreciation expense	27,369	27,979	27,112
Amortization of intangible assets	8,152	8,162	10,563
Segment special charges	—	—	37,207
Remeasurement of acquisition-related contingent consideration	—	—	702
Total Adjusted Segment EBITDA	$ 439,514	$ 358,741	$ 267,435

The table below presents assets by segment. Segment assets primarily include accounts and notes receivable, fixed assets purchased specifically for the segment, goodwill and other intangible assets.

	December 31,	
	2019	2018
Corporate Finance	$ 814,820	$ 707,924
FLC	462,155	412,667
Economic Consulting	543,475	516,123
Technology	200,430	171,002
Strategic Communications	217,129	212,147
Total segment assets	2,238,009	2,019,863
Unallocated corporate assets	545,133	359,258
Total assets	$ 2,783,142	$ 2,379,121

The table below details information on our revenues for the years ended December 31, 2019, 2018 and 2017. Revenues have been attributed to locations based on the location of the legal entity generating the revenues.

	Year Ended December 31,		
	2019	2018	2017
U.S.	$ 1,555,133	$ 1,372,116	$ 1,262,682
United Kingdom	389,338	302,576	251,843
All other foreign countries	408,246	353,185	293,207
Total revenues	$ 2,352,717	$ 2,027,877	$ 1,807,732

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

The table below details information on our long-lived assets and net assets by geographic location, which is based on the location of the legal entity holding the assets. We define net assets as total assets less total liabilities.

	December 31, 2019			December 31, 2018		
	U.S.	United Kingdom	All Other Foreign Countries	U.S.	United Kingdom	All Other Foreign Countries
Property and equipment, net	$ 63,563	$ 16,423	$ 13,686	$ 59,611	$ 14,023	$ 10,943
Net assets	$ 925,288	$ 196,087	$ 367,767	$ 867,321	$ 160,894	$ 320,610

20. Quarterly Financial Data (unaudited)

	Quarter Ended			
	March 31	June 30	September 30	December 31
2019				
Revenues	$ 551,274	$ 606,119	$ 593,106	$ 602,218
Operating expenses				
Direct cost of revenues	349,066	386,266	380,892	418,672
Selling, general and administrative expenses	113,185	129,906	127,951	133,032
Amortization of other intangible assets	1,861	1,852	2,125	2,314
	464,112	518,024	510,968	554,018
Operating income	87,162	88,095	82,138	48,200
Interest income and other	159	2,609	2,973	(3,680)
Interest expense	(4,746)	(4,793)	(4,832)	(4,835)
Income before income tax provision	82,575	85,911	80,279	39,685
Income tax provision	19,930	21,313	19,857	10,624
Net income	$ 62,645	$ 64,598	$ 60,422	$ 29,061
Earnings per common share — basic (1)	$ 1.69	$ 1.75	$ 1.65	$ 0.80
Earnings per common share — diluted (1)	$ 1.64	$ 1.69	$ 1.59	$ 0.76
Weighted average common shares outstanding				
Basic	36,981	36,960	36,617	36,545
Diluted	38,219	38,168	37,938	38,126

	Quarter Ended			
	March 31	June 30	September 30	December 31
2018				
Revenues	$ 497,774	$ 512,098	$ 513,012	$ 504,993
Operating expenses				
Direct cost of revenues	321,117	330,318	336,477	340,162
Selling, general and administrative expenses	112,128	117,897	117,448	118,163
Amortization of other intangible assets	2,270	2,052	1,975	1,865
	435,515	450,267	455,900	460,190
Operating income	62,259	61,831	57,112	44,803
Interest income and other	(1,800)	2,474	1,400	2,903
Interest expense	(6,244)	(6,583)	(7,246)	(7,076)
Gain on sale of business	—	—	13,031	—
Loss on early extinguishment of debt	—	—	—	(9,072)
Income before income tax provision	54,215	57,722	64,297	31,558
Income tax provision	15,270	14,113	19,964	7,834
Net income	$ 38,945	$ 43,609	$ 44,333	$ 23,724
Earnings per common share — basic (1)	$ 1.06	$ 1.18	$ 1.19	$ 0.63
Earnings per common share — diluted (1)	$ 1.04	$ 1.14	$ 1.14	$ 0.61
Weighted average common shares outstanding				
Basic	36,700	37,001	37,318	37,368
Diluted	37,612	38,271	38,756	38,628

(1) The sum of the quarterly earnings per share amounts may not equal the annual amounts due to changes in the weighted average number of common shares outstanding during each quarterly period.

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

None.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

An evaluation of the effectiveness of the design and operation of our “disclosure controls and procedures” (as defined in Rule 13a-15(e) under the Exchange Act), as of the end of the period covered by this Annual Report on Form 10-K was made under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer. Based upon this evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures (a) were effective to ensure that information required to be disclosed by us in reports filed or submitted under the Exchange Act is timely recorded, processed, summarized and reported, and (b) included, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in reports filed or submitted under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Management’s Report on Internal Control over Financial Reporting

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

Changes in Internal Control over Financial Reporting

There have not been any changes in our internal control over financial reporting that occurred during the quarter ended December 31, 2019 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None.

PART III

Certain information required in Part III is omitted from this report but is incorporated herein by reference from our definitive proxy statement for the 2020 Annual Meeting of Stockholders to be filed within 120 days after the end of our fiscal year ended December 31, 2019, pursuant to Regulation 14A with the U.S. Securities and Exchange Commission ("SEC").

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

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

We have adopted the FTI Consulting, Inc. Code of Ethics and Business Conduct (“Code of Ethics”), which applies to our Chairman of the Board, President, Chief Executive Officer, Chief Financial Officer, Chief Accounting Officer and Controller, and our other financial professionals, as well as all our other executive officers, including chief strategy and transformation officer, chief human resources officer, general counsel, and chief risk officer, and our other officers, directors, employees and independent contractors. The Code of Ethics is publicly available on our website at *http://www.fticonsulting.com/~/media/Files/us-files/our-firm/guidelines/fti-code-of-conduct.pdf.* If we make any substantive amendments to the Code of Ethics or grant any waiver, including any implicit waiver, from a provision of the Code of Ethics to our President, Chief Executive Officer, Chief Financial Officer, Chief Accounting Officer and Controller or persons performing similar functions, other executive officers or directors, we will disclose the nature of such amendment or waiver on our website within four business days following the date of the amendment or waiver, or in a Current Report on Form 8-K filed with the SEC. We will provide a copy of our Code of Ethics without charge upon request to our Corporate Secretary, FTI Consulting, Inc., 6300 Blair Hill Lane, Suite 303, Baltimore, Maryland 21209.

ITEM 11. EXECUTIVE COMPENSATION

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

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

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

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE

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

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

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

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULE

(a) (1) The following financial statements are included in this Annual Report:

Management's Report on Internal Control over Financial Reporting

Report of Independent Registered Public Accounting Firm — Internal Control over Financial Reporting

Report of Independent Registered Public Accounting Firm — Consolidated Financial Statements

Consolidated Balance Sheets — December 31, 2019 and 2018

Consolidated Statements of Comprehensive Income — Years Ended December 31, 2019, 2018 and 2017

Consolidated Statements of Stockholders' Equity — Years Ended December 31, 2019, 2018 and 2017

Consolidated Statements of Cash Flows — Years Ended December 31, 2019, 2018 and 2017

Notes to Consolidated Financial Statements

(2) The following financial statement schedule is included in this Annual Report:

Schedule II — Valuation and Qualifying Accounts

All schedules, other than the schedule listed above, are omitted as the information is not required or is otherwise provided.

FTI Consulting, Inc. and Subsidiaries
Schedule II — Valuation and Qualifying Accounts
(in thousands)

Description	Balance at Beginning of Period	Additions: Charged to Expense	Additions: Charged to Other Accounts*	Deductions**	Balance at End of Period
Year Ended December 31, 2019					
Reserves and allowances deducted from asset accounts:					
Allowance for doubtful accounts and unbilled services	$ 202,394	$ 19,602	$ 56,238	$ 12,734	$ 265,500
Valuation allowance for deferred tax asset	$ 21,929	$ —	$ —	$ 2,064	$ 19,865
Year Ended December 31, 2018					
Reserves and allowances deducted from asset accounts:					
Allowance for doubtful accounts and unbilled services	$ 180,687	$ 17,872	$ 25,300	$ 21,465	$ 202,394
Valuation allowance for deferred tax asset	$ 21,621	$ 308	$ —	$ —	$ 21,929
Year Ended December 31, 2017					
Reserves and allowances deducted from asset accounts:					
Allowance for doubtful accounts and unbilled services	$ 178,819	$ 15,386	$ 9,656	$ 23,174	$ 180,687
Valuation allowance for deferred tax asset	$ 18,900	$ 2,721	$ —	$ —	$ 21,621

* Includes estimated provision for unbilled services recorded as a reduction to revenues (i.e., fee, rate and other adjustments).
** Includes estimated direct write-offs of uncollectible and unrealizable accounts receivable.

Exhibit Number	Description of Exhibits
3.1	Articles of Incorporation of FTI Consulting, Inc., as Amended and Restated. (Filed with the Securities and Exchange Commission on May 23, 2003 as an exhibit to FTI Consulting, Inc.'s Current Report on Form 8-K dated May 21, 2003 and incorporated herein by reference.)
3.2	Articles of Amendment dated June 1, 2011 to Charter of FTI Consulting, Inc. (Filed with the Securities and Exchange Commission on June 2, 2011 as an exhibit to FTI Consulting, Inc.'s Current Report on Form 8-K dated June 1, 2011 and incorporated herein by reference.)
3.3	Bylaws of FTI Consulting, Inc., as Amended and Restated on June 1, 2011. (Filed with the Securities and Exchange Commission on June 2, 2011 as an exhibit to FTI Consulting, Inc.'s Current Report on Form 8-K dated June 1, 2011 and incorporated herein by reference.)
3.4	Amendment No. 1 to Bylaws of FTI Consulting, Inc. (Filed with the Securities and Exchange Commission on December 16, 2013 as an exhibit to FTI Consulting, Inc.'s Current Report on Form 8-K dated December 13, 2013 and incorporated herein by reference.)
3.5	Amendment No. 2 to Amended and Restated Bylaws of FTI Consulting, Inc. (Filed with the SEC on September 22, 2014 as an exhibit to FTI Consulting, Inc.'s Current Report on Form 8-K dated September 17, 2014 and incorporated herein by reference.)
4.1	Indenture, dated as of August 20, 2018, between FTI Consulting, Inc. and U.S. Bank National Association, as Trustee. (Filed with the Securities and Exchange Commission on August 20, 2018 as an exhibit to FTI Consulting, Inc.'s Current Report on Form 8-K dated August 20, 2018 and incorporated herein by reference.)
4.2	Form of 2.0% Convertible Senior Notes due 2023 (included in Exhibit 4.1). (Filed with the Securities and Exchange Commission on August 20, 2018 as an exhibit to FTI Consulting, Inc.'s Current Report on Form 8-K dated August 14, 2018 and incorporated herein by reference.)
4.3 †	Description of Securities.
10.1 *	FTI Consulting, Inc. 2004 Long-Term Incentive Plan, as Amended and Restated as of April 27, 2005. (Filed with the Securities and Exchange Commission on May 24, 2005 as an exhibit to FTI Consulting, Inc.'s Current Report on Form 8-K dated May 18, 2005 and incorporated herein by reference.)
10.2 *	Form of Incentive Stock Option Agreement used with 2004 Long-Term Incentive Plan. (Filed with the Securities and Exchange Commission on November 9, 2004 as an exhibit to FTI Consulting, Inc.'s Quarterly Report on Form 10-Q for the quarter ended September 30, 2004 and incorporated herein by reference.)
10.3 *	Form of Restricted Stock Agreement used with 2004 Long-Term Incentive Plan, as amended. (Filed with the Securities and Exchange Commission on November 9, 2004 as an exhibit to FTI Consulting, Inc.'s Quarterly Report on Form 10-Q for the quarter ended September 30, 2004 and incorporated herein by reference.)
10.4 *	FTI Consulting, Inc. Non-Employee Director Compensation Plan established effective April 27, 2005. (Filed with the Securities and Exchange Commission on May 24, 2005 as an exhibit to FTI Consulting, Inc.'s Current Report on Form 8-K dated May 18, 2005 and incorporated herein by reference.)
10.5 *	Form of FTI Consulting, Inc. Non-Employee Director Compensation Plan Stock Option Agreement. (Filed with the Securities and Exchange Commission on May 24, 2005 as an exhibit to FTI Consulting, Inc.'s Current Report on Form 8-K dated May 18, 2005 and incorporated herein by reference.)
10.6 *	Form of FTI Consulting, Inc. Non-Employee Director Compensation Plan Restricted Stock Agreement. (Filed with the Securities and Exchange Commission on May 24, 2005 as an exhibit to FTI Consulting, Inc.'s Current Report on Form 8-K dated May 18, 2005 and incorporated herein by reference.)

Exhibit Number	Description of Exhibits
10.7 *	Form of FTI Consulting, Inc. Non-Employee Director Compensation Plan Stock Unit Agreement. (Filed with the Securities and Exchange Commission on May 24, 2005 as an exhibit to FTI Consulting, Inc.'s Current Report on Form 8-K dated May 18, 2005 and incorporated herein by reference.)
10.8 *	Form of Nonqualified Stock Option Agreement used with 2004 Long-Term Incentive Plan. (Filed with the Securities and Exchange Commission on January 13, 2006 as an exhibit to FTI Consulting, Inc.'s Registration Statement on Form S-4/A and incorporated herein by reference.)
10.9 *	Amendment to FTI Consulting, Inc. 2004 Long-Term Incentive Plan, as Amended and Restated Effective April 27, 2005. (Filed with the Securities and Exchange Commission on March 31, 2006 as an exhibit to FTI Consulting, Inc.'s Current Report on Form 8-K dated March 29, 2006 and incorporated herein by reference.)
10.10 *	Amendment dated as of June 6, 2006 to the FTI Consulting, Inc. Non-Employee Director Compensation Plan. (Filed with the Securities and Exchange Commission on June 7, 2006 as an exhibit to FTI Consulting, Inc.'s Current Report on Form 8-K dated June 6, 2006 and incorporated herein by reference.)
10.11 *	Amendment dated as of June 6, 2006 to the FTI Consulting, Inc. 2004 Long-Term Incentive Plan, as Amended and Restated Effective as of April 27, 2005, as further amended. (Filed with the Securities and Exchange Commission on June 7, 2006 as an exhibit to FTI Consulting, Inc.'s Current Report on Form 8-K dated June 6, 2006 and incorporated herein by reference.)
10.12 *	FTI Consulting, Inc. 2006 Global Long-Term Incentive Plan. (Filed with the Securities and Exchange Commission on June 6, 2006 as exhibit 4.3 to FTI Consulting, Inc.'s Registration Statement on Form S-8 (333-134789) and incorporated herein by reference.)
10.13 *	Form of FTI Consulting, Inc. 2006 Global Long-Term Incentive Plan Incentive Stock Option Agreement. (Filed with the Securities and Exchange Commission on June 6, 2006 as an exhibit to FTI Consulting, Inc.'s Registration Statement on Form S-8 (333-134789) and incorporated herein by reference.)
10.14 *	Form of FTI Consulting, Inc. 2006 Global Long-Term Incentive Plan Restricted Stock Agreement. (Filed with the Securities and Exchange Commission on June 6, 2006 as an exhibit to FTI Consulting, Inc.'s Registration Statement on Form S-8 (333-134789) and incorporated herein by reference.)
10.15 *	FTI Consulting, Inc. Deferred Compensation Plan for Key Employees and Non-Employee Directors. (Filed with the Securities and Exchange Commission on April 28, 2006 as an exhibit to FTI Consulting, Inc.'s Definitive Proxy Statement on Schedule 14A and incorporated herein by reference.)
10.16 *	Form of FTI Consulting, Inc. Deferred Compensation Plan For Key Employees and Non-Employee Directors Restricted Stock Unit Agreement for Non-Employee Directors. (Filed with the Securities and Exchange Commission on June 6, 2006 as an exhibit to FTI Consulting, Inc.'s Registration Statement on Form S-8 (333-134790) and incorporated herein by reference.)
10.17 *	Form of FTI Consulting, Inc. Deferred Compensation Plan For Key Employees and Non-Employee Directors Stock Unit Agreement for Non-Employee Directors. (Filed with the Securities and Exchange Commission on June 6, 2006 as an exhibit to FTI Consulting, Inc.'s Registration Statement on Form S-8 (333-134790) and incorporated herein by reference.)
10.18 *	FTI Consulting, Inc. 2007 Employee Stock Purchase Plan. (Filed with the Securities and Exchange Commission on April 28, 2006 as an exhibit to FTI Consulting, Inc.'s Definitive Proxy Statement on Schedule 14A and incorporated herein by reference.)
10.19 *	FTI Consulting, Inc. 2006 Global Long-Term Incentive Plan, Amended and Restated Effective October 25, 2006. (Filed with the Securities and Exchange Commission on October 26, 2006 as an exhibit to FTI Consulting, Inc.'s Current Report on Form 8-K dated October 25, 2006 and incorporated herein by reference.)
10.20 *	FTI Consulting, Inc. 2006 Global Long-Term Incentive Plan/Appendix II: Australian Sub-Plan. (Filed with the Securities and Exchange Commission on December 15, 2006 as an exhibit to FTI Consulting, Inc.'s Registration Statement on Form S-4 (File No. 333-139407) and incorporated herein by reference.)

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

Exhibit Number	Description of Exhibits
10.34 *	Form of FTI Consulting, Inc. 2006 Global Long-Term Incentive Plan Restricted Stock Agreement under the Non-Employee Director Compensation Plan, as Amended and Restated Effective as of February 20, 2008. (Filed with the Securities and Exchange Commission on August 7, 2008 as an exhibit to FTI Consulting, Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2008 and incorporated herein by reference.)
10.36 *	Form of Incentive Stock Option Agreement under the FTI Consulting, Inc. 2006 Global Long-Term Incentive Plan, as Amended and Restated. (Filed with the Securities and Exchange Commission on November 6, 2008 as an exhibit to FTI Consulting, Inc.'s Quarterly Report on Form 10-Q for the quarter ended September 30, 2008 and incorporated herein by reference.)
10.37 *	FTI Consulting, Inc. 2009 Omnibus Incentive Compensation Plan. (Filed with the Securities and Exchange Commission on April 23, 2009 as an exhibit to FTI Consulting, Inc.'s Definitive Proxy Statement and incorporated herein by reference.)
10.38 *	Form of FTI Consulting, Inc. 2009 Omnibus Incentive Compensation Plan Incentive Stock Option Agreement. (Filed with the Securities and Exchange Commission on June 3, 2009 as an exhibit to FTI Consulting, Inc.'s Current Report on Form 8-K dated June 3, 2009 and incorporated herein by reference.)
10.39 *	Form of FTI Consulting, Inc. 2009 Omnibus Incentive Compensation Plan Restricted Stock Agreement. (Filed with the Securities and Exchange Commission on June 3, 2009 as an exhibit to FTI Consulting, Inc.'s Current Report on Form 8-K dated June 3, 2009 and incorporated herein by reference.)
10.40 *	Form of FTI Consulting, Inc. 2009 Omnibus Incentive Compensation Plan Restricted Stock Unit Agreement for Non-Employee Directors. (Filed with the Securities and Exchange Commission on June 3, 2009 as an exhibit to FTI Consulting, Inc.'s Current Report on Form 8-K dated June 3, 2009 and incorporated herein by reference).
10.41 *	Form of FTI Consulting, Inc. 2009 Omnibus Incentive Compensation Plan Stock Unit Agreement for Non-Employee Directors. (Filed with the Securities and Exchange Commission on June 3, 2009 as an exhibit to FTI Consulting, Inc.'s Current Report on Form 8-K dated June 3, 2009 and incorporated herein by reference.)
10.42 *	Form of FTI Consulting, Inc. 2009 Omnibus Incentive Compensation Plan Restricted Stock Agreement for Non-Employee Directors. (Filed with the Securities and Exchange Commission on June 3, 2009 as an exhibit to FTI Consulting, Inc.'s Current Report on Form 8-K dated June 3, 2009 and incorporated herein by reference.)
10.43 *	Form of FTI Consulting, Inc. 2009 Omnibus Incentive Compensation Plan Nonstatutory Stock Option Agreement. (Filed with the Securities and Exchange Commission on June 3, 2009 as an exhibit to FTI Consulting, Inc.'s Current Report on Form 8-K dated June 3, 2009 and incorporated herein by reference.)
10.44 *	FTI Consulting, Inc. 2009 Omnibus Incentive Compensation Plan Cash-Based Performance Award Agreement. (Filed with the Securities and Exchange Commission on March 29, 2010 as an exhibit to FTI Consulting, Inc.'s Current Report on Form 8-K dated March 25, 2010 and incorporated herein by reference.)
10.45 *	FTI Consulting, Inc. 2009 Omnibus Incentive Compensation Plan as Amended and Restated Effective as of June 2, 2010. (Filed with the Securities and Exchange Commission on April 23, 2010 as Appendix A to FTI Consulting, Inc.'s Definitive Proxy Statement dated April 23, 2010 and incorporated herein by reference.)
10.46 *	FTI Consulting, Inc. Incentive Compensation Plan. (Filed with the Securities and Exchange Commission on April 18, 2011 as an exhibit to FTI Consulting, Inc.'s Definitive Proxy Statement on Schedule 14A and incorporated herein by reference.)
10.47 *	Employment Agreement dated as of December 13, 2013, by and between FTI Consulting, Inc. and Steven Gunby. (Filed with the Securities and Exchange Commission on December 16, 2013 as an exhibit to FTI Consulting, Inc.'s Current Report on Form 8-K dated December 13, 2013 and incorporated herein by reference.)

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

Exhibit Number	Description of Exhibits
10.61 **	Pledge Agreement, dated as of June 26, 2015, by and among FTI Consulting, Inc., the other pledgors party thereto and Bank of America, N.A., as administrative agent. (Filed as an exhibit to FTI Consulting, Inc.'s Current Report on Form 8-K dated June 26, 2015 filed with the SEC on June 30, 2015 and incorporated herein by reference.)
10.62 *	Employment Letter dated May 14, 2015 between FTI Consulting, Inc. and Curtis Lu. (Filed as an exhibit to FTI Consulting, Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2015 filed with the Securities and Exchange Commission on July 30, 2015 and incorporated by reference herein.)
10.63	FTI Consulting, Inc. Non-Employee Director Compensation Plan Amended and Restated as of January 1, 2016. (Filed with the Securities and Exchange Commission on February 25, 2016 as an exhibit to FTI Consulting, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2015 and incorporated herein by reference.)
10.64	Form of Deferred Restricted Stock Unit Award Agreement for Non-Employee Directors Pursuant to the FTI Consulting, Inc. Non-Employee Director Compensation Plan Amended and Restated as of January 1, 2016. (Filed with the Securities and Exchange Commission on February 25, 2016 as an exhibit to FTI Consulting, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2015 and incorporated herein by reference.)
10.65	Form of Restricted Stock Unit Award Agreement for Non-Employee Directors Pursuant to the FTI Consulting, Inc. Non-Employee Director Compensation Plan Amended and Restated as of January 1, 2016. (Filed with the Securities and Exchange Commission on February 25, 2016 as an exhibit to FTI Consulting, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2015 and incorporated herein by reference.)
10.66	Form of Restricted Stock [or Restricted Stock Unit] Award Agreement for Non-Employee Directors Pursuant to the FTI Consulting, Inc. Non-Employee Director Compensation Plan Amended and Restated as of January 1, 2016. (Filed with the Securities and Exchange Commission on February 25, 2016 as an exhibit to FTI Consulting, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2015 and incorporated herein by reference.)
10.67 *	FTI Consulting, Inc. Incentive Compensation Plan. (Filed with the Securities and Exchange Commission as Appendix A to FTI Consulting, Inc.'s Definitive Proxy Statement on Schedule 14A dated April 20, 2016 filed with the SEC on April 20, 2016 and incorporated herein by reference.)
10.68 *	Offer of Employment Letter dated as of July 5, 2016, by and between FTI Consulting, Inc. and Ajay Sabherwal. (Filed with the Securities and Exchange Commission as an exhibit to FTI Consulting, Inc.'s Current Report on Form 8-K dated July 14, 2016 filed with the SEC on July 18, 2016 and incorporated herein by reference.)
10.69 *	Amendment No. 1 dated as of December 5, 2016 to Employment Agreement made and entered into as of December 13, 2013, by and between FTI Consulting, Inc. and Steven Gunby. (Filed with the Securities and Exchange Commission as an exhibit to FTI Consulting, Inc.'s Current Report on Form 8-K dated December 5, 2016 filed with the SEC on December 5, 2016 and incorporated herein by reference.)
10.70 *	Amendment No. 2 effective as of March 21, 2017 to Employment Agreement dated as of December 13, 2013, as amended, by and between FTI Consulting, Inc. and Steven Gunby. (Filed with the Securities and Exchange Commission as an exhibit to FTI Consulting, Inc.'s Current Report on Form 8-K dated March 21, 2017, filed with the SEC on March 23, 2017 and incorporated herein by reference.)
10.71 *	Amendment No. 1 effective as of March 21, 2017 to Offer of Employment Letter dated as of July 5, 2016, by and between FTI Consulting, Inc. and Ajay Sabherwal. (Filed with the Securities and Exchange Commission as an exhibit to FTI Consulting, Inc.'s Current Report on Form 8-K dated March 21, 2017, filed with the SEC on March 23, 2017 and incorporated herein by reference.)
10.72 *	Amendment No. 1 effective as of March 21, 2017 to Offer of Employment Letter dated July 15, 2014, by and between FTI Consulting, Inc. and Paul Linton. (Filed with the Securities and Exchange Commission as an exhibit to FTI Consulting, Inc.'s Current Report on Form 8-K dated March 21, 2017, filed with the SEC on March 23, 2017 and incorporated herein by reference.)

Exhibit Number	Description of Exhibits
10.73 *	Amendment No. 1 effective as of March 21, 2017 to Employment Letter dated May 14, 2015, by and between FTI Consulting, Inc. and Curtis Lu. (Filed with the Securities and Exchange Commission as an exhibit to FTI Consulting, Inc.'s Current Report on Form 8-K dated March 21, 2017, filed with the SEC on March 23, 2017 and incorporated herein by reference.)
10.74 *	Amendment No. 2 effective as of March 21, 2017 to Offer of Employment Letter dated July 15, 2014, by and between FTI Consulting, Inc. and Holly Paul. (Filed with the Securities and Exchange Commission as an exhibit to FTI Consulting, Inc.'s Current Report on Form 8-K dated March 21, 2017, filed with the SEC on March 23, 2017 and incorporated herein by reference.)
10.75 *	FTI Consulting, Inc. 2017 Omnibus Incentive Compensation Plan (Effective as of June 7, 2017). (Included as Appendix A to FTI Consulting, Inc.'s Definitive Proxy Statement on Schedule 14A filed on April 25, 2017 and incorporated herein by reference.)
10.76 *	Form of Executive Long-Term Incentive Pay Restricted Stock Award Agreement under the FTI Consulting, Inc. 2017 Omnibus Incentive Compensation Plan. (Filed with the Securities and Exchange Commission as an exhibit to FTI Consulting, Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2017, filed with the SEC on July 27, 2017 and incorporated herein by reference.)
10.77 *	Form of Executive Long-Term Incentive Pay Incentive Stock Option Award Agreement under the FTI Consulting, Inc. 2017 Omnibus Incentive Compensation Plan. (Filed with the Securities and Exchange Commission as an exhibit to FTI Consulting, Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2017, filed with the SEC on July 27, 2017 and incorporated herein by reference.)
10.78 *	Form of Executive Long-Term Incentive Pay Performance-Based Restricted Stock Unit Award Agreement under the FTI Consulting, Inc. 2017 Omnibus Incentive Compensation Plan. (Filed with the Securities and Exchange Commission as an exhibit to FTI Consulting, Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2017, filed with the SEC on July 27, 2017 and incorporated herein by reference.)
10.79 *	Form of General Restricted Stock Award Agreement under the FTI Consulting, Inc. 2017 Omnibus Incentive Compensation Plan. (Filed with the Securities and Exchange Commission as an exhibit to FTI Consulting, Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2017, filed with the SEC on July 27, 2017 and incorporated herein by reference.)
10.80 *	Form of General Restricted Stock Unit Award Agreement under the FTI Consulting, Inc. 2017 Omnibus Incentive Compensation Plan. (Filed with the Securities and Exchange Commission as an exhibit to FTI Consulting, Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2017, filed with the SEC on July 27, 2017 and incorporated herein by reference.)
10.81 *	Form of General Incentive Stock Option Agreement under the FTI Consulting, Inc. 2017 Omnibus Incentive Compensation Plan. (Filed with the Securities and Exchange Commission as an exhibit to FTI Consulting, Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2017, filed with the SEC on July 27, 2017 and incorporated herein by reference.)
10.82 *	Form of General Nonstatutory Stock Option Agreement under the FTI Consulting, Inc. 2017 Omnibus Incentive Compensation Plan. (Filed with the Securities and Exchange Commission as an exhibit to FTI Consulting, Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2017, filed with the SEC on July 27, 2017 and incorporated herein by reference.)
10.83 *	Form of General Performance-Based Restricted Stock Unit Award Agreement under the FTI Consulting, Inc. 2017 Omnibus Incentive Compensation Plan. (Filed with the Securities and Exchange Commission as an exhibit to FTI Consulting, Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2017, filed with the SEC on July 27, 2017 and incorporated herein by reference.)
10.84 *	Form of General Cash Unit Award Agreement under the FTI Consulting, Inc. 2017 Omnibus Incentive Compensation Plan. (Filed with the Securities and Exchange Commission as an exhibit to FTI Consulting, Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2017, filed with the SEC on July 27, 2017 and incorporated herein by reference.)

Exhibit Number	Description of Exhibits
10.85 *	Form of General Cash-Based Stock Appreciation Right Award Agreement under the FTI Consulting, Inc. 2017 Omnibus Incentive Compensation Plan. (Filed with the Securities and Exchange Commission as an exhibit to FTI Consulting, Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2017, filed with the SEC on July 27, 2017 and incorporated herein by reference.)
10.86 *	Form of General Cash-Based Performance Unit Award Agreement under the FTI Consulting, Inc. 2017 Omnibus Incentive Compensation Plan. (Filed with the Securities and Exchange Commission as an exhibit to FTI Consulting, Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2017, filed with the SEC on July 27, 2017 and incorporated herein by reference.)
10.87 *	Form of Restricted Stock Award Agreement for Non-Employee Directors under the FTI Consulting, Inc. 2017 Omnibus Incentive Compensation Plan. (Filed with the Securities and Exchange Commission as an exhibit to FTI Consulting, Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2017, filed with the SEC on July 27, 2017 and incorporated herein by reference.)
10.88 *	Form of Restricted Stock Unit Award Agreement for Non-Employee Directors under the FTI Consulting, Inc. 2017 Omnibus Incentive Compensation Plan. (Filed with the Securities and Exchange Commission as an exhibit to FTI Consulting, Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2017, filed with the SEC on July 27, 2017 and incorporated herein by reference.)
10.89 *	Form of Deferred Stock Unit Award Agreement for Non-Employee Directors under the FTI Consulting, Inc. 2017 Omnibus Incentive Compensation Plan. (Filed with the Securities and Exchange Commission as an exhibit to FTI Consulting, Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2017, filed with the SEC on July 27, 2017 and incorporated herein by reference.)
10.90 *	Form of Deferred Restricted Stock Unit Award Agreement for Non-Employee Directors under the FTI Consulting, Inc. 2017 Omnibus Incentive Compensation Plan. (Filed with the Securities and Exchange Commission as an exhibit to FTI Consulting, Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2017, filed with the SEC on July 27, 2017 and incorporated herein by reference.)
10.91 *	Amendment No. 3 dated March 16, 2018 to that Employment Agreement dated as of December 13, 2013, by and between FTI Consulting, Inc. and Steven H. Gunby. (Filed with the Securities and Exchange Commission as an exhibit to FTI Consulting, Inc.'s Quarterly Report on Form 10-Q for the quarter ended March 31, 2018, filed with the SEC on April 26, 2018 and incorporated herein by reference.)
10.92 **	Amendment and Restatement Agreement, dated as of November 30, 2018, among FTI Consulting, Inc., a Maryland corporation, the Subsidiaries of the Company party thereto, as Guarantors, the Lenders and L/C Issuers party thereto and Bank of America, N.A., as administrative agent (including Annex C-Amended and Restated Credit Agreement dated as of November 30, 2018), by and among FTI Consulting, Inc., the designated borrowers party thereto, the guarantors party thereto, the lenders party thereto, and Bank of America, N.A., as administrative agent. (Filed with the Securities and Exchange Commission on December 3, 2018 as an exhibit to FTI Consulting, Inc.'s Current Report on Form 8-K dated November 30, 2018 and incorporated herein by reference.)
10.93 *	Amendment No. 4 dated as of February 28, 2019 to Employment Agreement dated as of December 13, 2013, by and between FTI Consulting, Inc. and Steven H. Gunby. (Filed with the Securities and Exchange Commission as an exhibit to FTI Consulting, Inc.'s Current Report on Form 8-K dated February 28, 2020, filed with the SEC on March 4, 2019 and incorporated herein by reference.)
10.94 *	Amendment No. 2 effective as of February 28, 2019 to Offer of Employment Letter dated as of July 5, 2016, by and between FTI Consulting, Inc. and Ajay Sabherwal. (Filed with the Securities and Exchange Commission as an exhibit to FTI Consulting, Inc.'s Current Report on Form 8-K dated February 28, 2020, filed with the SEC on March 4, 2019 and incorporated herein by reference.)
10.95 *	Amendment No. 2 effective as of February 28, 2019 to Offer of Employment Letter dated as of July 15, 2014, by and between FTI Consulting, Inc. and Paul Linton. (Filed with the Securities and Exchange Commission as an exhibit to FTI Consulting, Inc.'s Current Report on Form 8-K dated February 28, 2020, filed with the SEC on March 4, 2019 and incorporated herein by reference.)
10.96 *	Amendment No. 2 effective as of February 28, 2019 to Offer of Employment Letter dated as of May 14, 2015, by and between FTI Consulting, Inc. and Curtis Lu. (Filed with the Securities and Exchange Commission as an exhibit to FTI Consulting, Inc.'s Current Report on Form 8-K dated February 28, 2020, filed with the SEC on March 4, 2019 and incorporated herein by reference.)

Exhibit Number	Description of Exhibits
10.97 *	Amendment No. 3 effective as of February 28, 2019 to Offer of Employment Letter dated as of July 15, 2014, by and between FTI Consulting, Inc. and Holly Paul. (Filed with the Securities and Exchange Commission as an exhibit to FTI Consulting, Inc.'s Current Report on Form 8-K dated February 28, 2020, filed with the SEC on March 4, 2019 and incorporated herein by reference.)
10.98 *	Offer Letter dated as of March 1, 2019, by and between FTI Consulting, Inc. and Brendan Keating. (Filed with the Securities and Exchange Commission as an exhibit to FTI Consulting, Inc.'s Current Report on Form 8-K dated March 6, 2020, filed with the SEC on March 7, 2019 and incorporated herein by reference.)
10.99 *	Amendment No. 5 made and entered into as of January 8, 2020 to Employment Agreement dated December 13, 2013, by and between FTI Consulting, Inc. and Steven H. Gunby. (Filed with the Securities and Exchange Commission as an exhibit to FTI Consulting, Inc.'s Current Report on Form 8-K dated January 9, 2020, filed with the SEC on January 13, 2020 and incorporated herein by reference.)
11.1 †	Computation of Earnings per Share (included in Note 3 to the Consolidated Financial Statements included in Part II, Item 8 herein).
14.0	FTI Consulting, Inc. Code of Ethics and Business Conduct, as Amended and Restated effective February 21, 2018. (Filed with the Securities and Exchange Commission as an exhibit to FTI Consulting, Inc.'s Annual Report on Form 10-K for the Year Ended December 31, 2018, filed with the SEC on February 27, 2019 and incorporated herein by reference.)
21.1 †	Subsidiaries of FTI Consulting, Inc.
23.0 †	Consent of KPMG LLP.
31.1 †	Certification of Principal Executive Officer pursuant to Rule 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as amended (Section 302 of the Sarbanes-Oxley Act of 2002).
31.2 †	Certification of Principal Financial Officer pursuant to Rule 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as amended (Section 302 of the Sarbanes-Oxley Act of 2002).
32.1 †	Certification of Principal Executive Officer Pursuant to 18 USC. Section 1350 (Section 906 of the Sarbanes-Oxley Act of 2002).
32.2 †	Certification of Principal Financial Officer Pursuant to 18 USC. Section 1350 (Section 906 of the Sarbanes-Oxley Act of 2002).
99.1	Policy on Disclosure Controls, as Amended and Restated Effective as of January 1, 2016. (Filed with the Securities and Exchange Commission as an exhibit to FTI Consulting, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2016, filed with the SEC on February 28, 2017 and incorporated herein by reference.)
99.2	Policy on Inside Information and Insider Trading, as Amended and Restated Effective January 1, 2016. (Filed with the Securities and Exchange Commission as an exhibit to FTI Consulting, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2016, filed with the SEC on February 28, 2017 and incorporated herein by reference.)
99.3	Corporate Governance Guidelines, as last Amended and Restated Effective as of September 20, 2018. (Filed with the Securities and Exchange Commission as an exhibit to FTI Consulting, Inc.'s Annual Report on Form 10-K for the Year Ended December 31, 2018, filed with the SEC on February 27, 2019 and incorporated herein by reference.)
99.4	Categorical Standards of Director Independence, as last Amended and Restated Effective as of February 25, 2009. (Filed with the Securities and Exchange Commission on February 28, 2013 as an exhibit to FTI Consulting, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2012 and incorporated herein by reference.)

Exhibit Number	Description of Exhibits
99.5	Charter of Audit Committee of the Board of Directors, as last Amended and Restated Effective as of February 23, 2011. (Filed with the Securities and Exchange Commission on April 18, 2011 as an exhibit to FTI Consulting, Inc.'s Definitive Proxy Statement on Schedule 14A and incorporated herein by reference.)
99.6	Charter of the Compensation Committee of the Board of Directors, as last Amended and Restated Effective as of February 27, 2013. (Filed with the Securities and Exchange Commission on May 9, 2013 as an exhibit to FTI Consulting, Inc.'s Quarterly Report on Form 10-Q for the quarter ended March 31, 2013 and incorporated herein by reference.)
99.7	Charter of the Nominating and Corporate Governance Committee, as last Amended and Restated Effective as of December 16, 2009. (Filed with the Securities and Exchange Commission on February 26, 2010 as an exhibit to FTI Consulting, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2009 and incorporated herein by reference.)
99.8	Anti-Corruption Policy, as Amended and Restated Effective February 19, 2014. (Filed with the Securities and Exchange Commission on May 2, 2014 as an exhibit to FTI Consulting, Inc.'s Quarterly Report on Form 10-Q for the quarter ended March 31, 2014 and incorporated herein by reference.)
101	The following financial information from the Annual Report on Form 10-K of FTI Consulting, Inc. for the year ended December 31, 2019, included herewith, and formatted in Inline XBRL (eXtensible Business Reporting Language): (i) Consolidated Balance Sheets; (ii) Consolidated Statements of Comprehensive Income; (iii) Consolidated Statements of Stockholders' Equity; (iv) Consolidated Statements of Cash Flows; and (v) Notes to the Consolidated Financial Statements, tagged as blocks of text.
104	The cover page from the Company's Annual Report on Form 10-K for the year ended December 31, 2019, formatted in Inline XBRL (included as Exhibit 101).

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

ITEM 16. FORM 10-K SUMMARY

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned; thereunto duly authorized this 25th day of February 2020.

FTI CONSULTING, INC.

By: /s/ STEVEN H. GUNBY

Name: **Steven H. Gunby**

Title: **President and Chief Executive Officer**

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

SIGNATURE	CAPACITY IN WHICH SIGNED	DATE
/s/ STEVEN H. GUNBY **Steven H. Gunby**	President, Chief Executive Officer and Director (Principal Executive Officer)	February 25, 2020
/s/ AJAY SABHERWAL **Ajay Sabherwal**	Chief Financial Officer (Principal Financial Officer)	February 25, 2020
/s/ BRENDAN KEATING **Brendan Keating**	Chief Accounting Officer and Controller (Principal Accounting Officer)	February 25, 2020
/s/ GERARD E. HOLTHAUS **Gerard E. Holthaus**	Director and Chairman of the Board	February 25, 2020
/s/ BRENDA J. BACON **Brenda J. Bacon**	Director	February 25, 2020
/s/ MARK S. BARTLETT **Mark S. Bartlett**	Director	February 25, 2020
/s/ CLAUDIO COSTAMAGNA **Claudio Costamagna**	Director	February 25, 2020
/s/ VERNON ELLIS **Vernon Ellis**	Director	February 25, 2020
/s/ NICHOLAS C. FANANDAKIS **Nicholas C. Fanandakis**	Director	February 25, 2020
/s/ LAUREEN E. SEEGER **Laureen E. Seeger**	Director	February 25, 2020

EXHIBIT 4.3

DESCRIPTION OF COMMON STOCK

The authorized capital stock of FTI Consulting, Inc., a Maryland corporation, consists of 75,000,000 shares of common stock, $0.01 par value per share ("Common Stock"), and 5,000,000 shares of preferred stock, $0.01 par value per share ("Preferred Stock"). As of February 17, 2020, there were 37,493,897 shares of Common Stock outstanding and no shares of Preferred Stock outstanding. Holders of our Common Stock have no preemptive rights and no right to convert their Common Stock into any other securities. There are no redemption or sinking fund provisions applicable to our Common Stock. All outstanding shares of Common Stock are fully-paid and nonassessable. Our Common Stock is listed on the New York Stock Exchange under the symbol "FCN."

Dividends

Subject to preferences that may be applicable to any outstanding shares of Preferred Stock, the holders of shares of Common Stock are entitled to receive those dividends authorized from time to time by the board of directors and declared by us out of funds legally available therefore.

Voting Rights

The holders of our Common Stock are entitled to one vote for each share held of record on all matters submitted to a vote of the stockholders, including, without limitation, the election of our board of directors. Our stockholders have no right to cumulate their votes in the election of directors. Pursuant to our bylaws, nominees for director in uncontested elections are elected upon the affirmative vote of a majority of the total votes cast for and against such nominee at a duly called meeting of stockholders. However, directors are elected by a plurality of votes cast at a meeting of stockholders at which a quorum is present when (i) the secretary receives notice that a stockholder has nominated an individual for election as a director in compliance with the requirements of advance notice of stockholder nominees for director as set forth in the bylaws and (ii) such nomination has not been withdrawn by such stockholder on or before the close of business on the tenth day before the date of filing of the definitive proxy statement with the Securities and Exchange Commission (the "SEC") and, as a result of which, the number of nominees is greater than the number of directors to be elected at the meeting.

Rights upon Liquidation

In the event of liquidation, dissolution or winding up, holders of our Common Stock are entitled to share ratably in all assets remaining after payment of liabilities and the liquidation preference of any outstanding shares of Preferred Stock.

Anti-Takeover Effects of our Charter and Bylaws

Certain provisions of Maryland law and our charter and bylaws could make the following more difficult:

- the acquisition of us by means of a tender offer;
- acquisition of us by means of a proxy contest or otherwise; or
- the removal of our incumbent officers and directors.

The provisions summarized below are expected to discourage certain types of coercive takeover practices and inadequate takeover bids. The provisions are also designed to encourage persons seeking to acquire control of us to first negotiate with our board of directors.

Election and Removal of Directors. Our bylaws provide that subject to the rights of the holders of any class of stock separately entitled to elect one or more directors, a majority of the remaining directors, whether or not sufficient to constitute a quorum, may fill a vacancy on the board of directors which results from any cause except an increase in the number of directors, and a majority of the entire board of directors may fill a vacancy which results from an increase in the number of directors. Notwithstanding the foregoing, our stockholders have the concurrent right to fill any vacancy resulting from the removal of a director. Pursuant to the Maryland General Corporation Law (the "MGCL"), a director may be removed, with or without cause, by the affirmative vote of stockholders entitled to cast a majority of the votes entitled to be cast generally in the election of directors.

Stockholder Meetings. Under our bylaws and pursuant to Maryland law, annual meetings of stockholders will be held each year at a date and at the time and place determined by our board of directors. Special meetings of stockholders may be called by our board of directors, the chairman of our board of directors, our president or our chief executive officer. Additionally, subject to the provisions of our bylaws, special meetings of the stockholders to act on any matter that may properly be considered at a meeting of stockholders must be called by our secretary upon the written request of stockholders entitled to cast not less than a majority of all the votes entitled to be cast on such matter at such meeting. Any such request for a special meeting must be made in accordance with the procedures set forth in, including the information and certification requirements of, our bylaws. Only matters set forth in the notice of the special meeting may be considered and acted upon at such a meeting. Our secretary will inform the requesting stockholders of the reasonably estimated cost of preparing and delivering the notice of meeting (including our proxy materials), and the requesting stockholder must pay such estimated cost before our secretary may prepare and deliver the notice of the special meeting.

Requirements for Advance Notification of Stockholder Nominations and Proposals.

Our bylaws provide that:

- with respect to an annual meeting of stockholders, nominations of individuals for election to our board of directors and the proposal of business to be considered by stockholders at the annual meeting may be made only:
  - pursuant to our notice of the meeting;
  - by or at the direction of our board of directors; or
  - by a stockholder who was a stockholder of record at the time of giving of the notice of the meeting and at the time of the annual meeting, who is entitled to vote at the meeting in the election of each individual so nominated or on such other business and who has complied with the advance notice procedures set forth in, and provided the information and certifications required by, our bylaws; and
- with respect to special meetings of stockholders, only the business specified in our company's notice of meeting may be brought before the special meeting of stockholders, and nominations of individuals for election to our board of directors may be made only:
  - by or at the direction of our board of directors;
  - by a stockholder that has requested a special meeting be called for the purpose of electing directors; or

- if the special meeting has been called in accordance with our bylaws for the purpose of electing directors, by a stockholder who is a stockholder of record at the time of provision of notice and at the time of the special meeting, who is entitled to vote at the meeting in the election of each individual so nominated and who has complied with the advance notice provisions set forth in, and provided the information and certifications required by, our bylaws.

The purpose of requiring stockholders to give advance notice of nominations and other proposals is to afford our board of directors and our stockholders the opportunity to consider the qualifications of the proposed nominees or the advisability of the other proposals and, to the extent considered necessary by our board of directors, to inform stockholders and make recommendations regarding the nominations or other proposals. Although our bylaws do not give our board of directors the power to disapprove timely stockholder nominations and proposals, our bylaws may have the effect of precluding a contest for the election of directors or proposals for other action if the proper procedures are not followed, and of discouraging or deterring a third party from conducting a solicitation of proxies to elect its own slate of directors to our board of directors or to approve its own proposal.

Anti-Takeover Provisions of the Maryland General Corporation Law

Business Combinations. Under the MGCL, certain “business combinations” (including a merger, consolidation, statutory share exchange or, in certain circumstances specified under the statute, an asset transfer or issuance or reclassification of equity securities) between a Maryland corporation and any interested stockholder, or an affiliate of such an interested stockholder, are prohibited for five years after the most recent date on which the interested stockholder becomes an interested stockholder. Maryland law defines an interested stockholder as:

- any person who beneficially owns, directly or indirectly, 10% or more of the voting power of the corporation’s outstanding voting stock; or

- an affiliate or associate of the corporation who, at any time within the two-year period prior to the date in question, was the beneficial owner of 10% or more of the voting power of the then outstanding voting stock of the corporation.

A person is not an interested stockholder under the MGCL if the board of directors approved in advance the transaction by which the person otherwise would have become an interested stockholder. In approving a transaction, the board of directors may provide that its approval is subject to compliance, at or after the time of the approval, with any terms and conditions determined by it.

After such five-year period, any such business combination must be recommended by the board of directors of the corporation and approved by the affirmative vote of at least:

- 80% of the votes entitled to be cast by holders of outstanding shares of voting stock of the corporation, voting together as a single voting group; and

- two-thirds of the votes entitled to be cast by holders of voting stock of the corporation other than shares held by the interested stockholder with whom (or with whose affiliate) the business combination is to be effected or held by an affiliate or associate of the interested stockholder, voting together as a single voting group.

These supermajority approval requirements do not apply if, among other conditions, the corporation’s common stockholders receive a minimum price (as defined in the MGCL) for their shares and the consideration is received in cash or in the same form as previously paid by the interested stockholder for its shares.

These provisions of the MGCL do not apply, however, to business combinations that are approved or exempted by a corporation's board of directors prior to the time that the interested stockholder becomes an interested stockholder. We generally remain subject to the provisions of this statute.

Control Share Acquisitions. The MGCL provides that "control shares" of a Maryland corporation acquired in a "control share acquisition" have no voting rights other than those voting rights approved by a vote of two-thirds of the votes entitled to be cast on the matter, excluding shares owned by the acquiror or by the corporation's officers or directors who are employees of the corporation. "Control shares" are shares of voting stock that, if aggregated with all other shares of stock previously acquired, would entitle the acquiror to exercise voting power in electing directors within any one of the following ranges of voting power:

- one-tenth or more but less than one-third;
- one-third or more but less than a majority; or
- a majority or more of all voting power.

Control shares do not include shares of stock an acquiring person is then entitled to vote as a result of having previously obtained stockholder approval. A "control share acquisition" generally means the acquisition of, ownership of or the power to direct the exercise of voting power with respect to control shares. A person who has made or proposes to make a control share acquisition may compel the board of directors to call a special meeting of stockholders to consider the voting rights of the control shares, but only if such acquiring person made or proposes to make a control share acquisition, under specified conditions, including an undertaking to pay expenses. The meeting of stockholders must be held within 50 days of the acquiring person's demand. If no request for a meeting is made, the corporation may itself present the question at any meeting of stockholders.

If voting rights of control shares are not approved at the meeting or if the acquiring person does not deliver an "acquiring person statement" as required by the statute, the corporation generally may redeem any or all of the control shares, except those control shares for which stockholders have previously approved voting rights. This redemption of shares must be for fair value, determined without regard to the absence of voting rights as of the date of the last control share acquisition or, if a meeting of stockholders is held at which the voting rights of the shares are considered and not approved, as of the date of such meeting. If voting rights for control shares are approved at a meeting of stockholders and the acquiror becomes entitled to vote at least a majority of all shares entitled to vote, all other stockholders may exercise appraisal rights. The fair value of the shares for purposes of such appraisal rights may not be less than the highest price per share paid in the control share acquisition. The limitations and restrictions otherwise applicable to the exercise of dissenters' rights do not apply in the context of a control share acquisition.

The control share acquisition statute does not apply to shares acquired in a merger, consolidation or share exchange if the corporation is a party to the transaction, nor does it apply to acquisitions previously approved or exempted by a provision in the charter or bylaws of the corporation. As permitted by the MGCL, our bylaws contain a provision exempting us from the control share acquisition statute. Our board of directors may, without the consent of any of our stockholders, amend or eliminate this bylaw provision at any time, which means that we would then become subject to the Maryland control share acquisition statute, and there can be no assurance that such provision will not be amended or eliminated by our board of directors at any time in the future.

Subtitle 8. Subtitle 8 of Title 3 of the MGCL permits a Maryland corporation with a class of equity securities registered under the Exchange Act and at least three independent directors to elect, by provision in its charter or bylaws or a resolution of its board of directors and notwithstanding any contrary provision in the charter or bylaws, to be subject to any or all of the following five provisions:

- a classified board;
- a two-thirds vote requirement for removing a director;
- a requirement that the number of directors be fixed only by vote of the directors;
- a requirement that a vacancy on the board be filled only by a vote of the remaining directors (whether or not they constitute a quorum) and for the remainder of the full term of the class of directors in which the vacancy occurred and until a successor is elected and qualifies; or
- a majority requirement for the calling of a special meeting of stockholders.

We have not elected to be subject to any of the provisions of Subtitle 8, including the provisions that would permit us to classify our board of directors without stockholder approval. Through provisions in our charter and bylaws unrelated to Subtitle 8, we (1) vest in our board of directors the exclusive power to fix the number of directors and (2) require, unless called by our chairman of the board of directors, our chief executive officer, our president or our board of directors, the request of stockholders entitled to cast at least a majority of all the votes entitled to be cast at the meeting to call a special meeting of stockholders. The provisions of Subtitle 8 expressly provide that Subtitle 8 does not limit the power of a Maryland corporation, by provision in its charter, to confer on the holders of any class or series of preferred stock the right to elect one or more directors or designate the terms and voting powers of directors, which may vary among directors.

Amendment to Our Charter and Bylaws

Except as provided in the MGCL with regard to certain ministerial amendments, amendments to our charter must be advised by our board of directors and approved by the affirmative vote of our stockholders entitled to cast a majority of all of the votes entitled to be cast on the matter. Our board of directors generally has the power to amend our bylaws without the approval or consent of stockholders; provided, that any modification to the bylaws made by the board of directors may be repealed by the affirmative vote of the holders of a majority of our Common Stock then entitled to vote. Additionally, our bylaws may be amended by the affirmative vote of the holders of a majority of our Common Stock then entitled to vote.

Limitations on Liability and Indemnification of Officers and Directors

Maryland law permits a Maryland corporation to include in its charter a provision eliminating the liability of its directors and officers to the corporation and its stockholders for money damages except for liability resulting from actual receipt of an improper benefit or profit in money, property or services or active and deliberate dishonesty that is established by a final judgment and is material to the cause of action. Our charter contains such a provision that eliminates such liability to the maximum extent permitted by Maryland law.

The MGCL requires a Maryland corporation (unless its charter provides otherwise, which our charter does not) to indemnify a director or officer who has been successful, on the merits or otherwise, in the defense of any proceeding to which he or she is made or threatened to be made a party by reason of his or her service in that capacity. The MGCL permits a Maryland corporation to indemnify its present and former directors and officers, among others, against judgments, penalties, fines, settlements and reasonable expenses actually incurred by them in connection with any proceeding to or in which they may be made or are threatened to be made a party or witness by reason of their service in those or other capacities unless it is established that:

- the act or omission of the director or officer was material to the matter giving rise to the proceeding and:
  - was committed in bad faith; or
  - was the result of active and deliberate dishonesty;
- the director or officer actually received an improper personal benefit in money, property or services; or
- in the case of any criminal proceeding, the director or officer had reasonable cause to believe that the act or omission was unlawful.

However, under the MGCL, a Maryland corporation may not indemnify a director or officer for an adverse judgment in a suit by or on behalf of the corporation or if the director or officer was adjudged liable on the basis that personal benefit was improperly received, unless, in either case, a court orders indemnification and then only for expenses. A court may order indemnification for expenses if it determines that the director or officer is fairly and reasonably entitled to indemnification, even though the director or officer did not meet the prescribed standard of conduct or was adjudged liable on the basis that personal benefit was improperly received.

In addition, the MGCL permits a Maryland corporation to advance reasonable expenses to a director or officer upon the corporation's receipt of:

- a written affirmation by the director or officer of his or her good faith belief that he or she has met the standard of conduct necessary for indemnification by the corporation; and
- a written undertaking, which may be unsecured, by the director or officer or on the director or officer's behalf to repay the amount paid if it shall ultimately be determined that the standard of conduct was not met.

Our charter and bylaws obligate us, to the maximum extent permitted by Maryland law in effect from time to time, to indemnify and to pay or reimburse reasonable expenses in advance of final disposition of a proceeding without requiring a preliminary determination of the director's or officer's ultimate entitlement to indemnification to:

- any present or former director or officer who is made or threatened to be made a party to, or witness in, a proceeding by reason of his or her service in that capacity; or
- any individual who, while a director or officer of our company and at our request, serves or has served as a director, officer, partner, member, manager, trustee, employee or agent of another corporation, real estate investment trust, partnership, limited liability company, joint venture, trust, employee benefit plan or any other enterprise and who is made or threatened to be made a party to, or witness in, the proceeding by reason of his or her service in that capacity.

Our charter and bylaws also permit us, with the approval of our board of directors, to indemnify and advance expenses to any person who served a predecessor of ours in any of the capacities described above and to any employee or agent of our company or a predecessor of our company.

Indemnification Agreements

We are party to indemnification agreements with each of our directors and reporting officers. These agreements require us to indemnify these individuals to the fullest extent permitted under Maryland law and our charter against liabilities that may arise by reason of their service to us, and to advance expenses incurred as a result of any proceeding against them as to which they could be indemnified. Insofar as indemnification for liabilities arising under the Securities Act [confirm defined term] may be permitted to directors or executive officers, we have been informed that in the opinion of the SEC, such indemnification is against public policy and is therefore unenforceable.

Transfer Agent and Registrar

The transfer agent and registrar for our Common Stock is American Stock Transfer & Trust Company.

Exhibit 21.1

Schedule of Subsidiaries of FTI Consulting, Inc.

Legal Name	Jurisdiction
Andersch AG	Germany
Andersch digital GmbH	Germany
Andersch Management GmbH	Germany
Compass Lexecon (Belgium) SPRL	Belgium
Compass Lexecon LLC	Maryland
[f/k/a Lexecon, LLC]	
[f/k/a LI Acquisition Company, LLC]	
FCN Holdings CV	Netherlands
FD MWA Holdings Inc.	Delaware
Ferrier Hodgson Management Services Inc.	Philippines
FH Asset Management Corp.	Philippines
FH Corporate Services Inc.	Philippines
FTI Capital Advisors - Canada ULC	Canada
[f/k/a FTI Consulting (Canada) Capital Advisors ULC]	
FTI Capital Advisors (Australia) Pty Ltd	Australia, New South Wales
FTI Capital Advisors, LLC	Maryland
[f/k/a FTI Merger & Acquisition Advisors, LLC]	
FTI Capital Management LLC	Maryland
FTI Capital Management (Cayman) Limited	Cayman Islands
FTI Consulting-FD Australia Holdings Pty Ltd	Australia, Victoria
[f/k/a FD Australia Holdings Pty Ltd]	
FTI Consulting-Qatar LLC	Qatar
[f/k/a Dispute Resolution Consulting LLC]	
FTI Consulting (Asia) Ltd	Hong Kong
[f/k/a International Risk Limited]	
FTI Consulting (Australia) Pty Ltd	Australia
FTI Consulting (Beijing) Co., Limited	Beijing, China
[f/k/a-FD (Beijing) Consulting Co., Ltd.]	
FTI Consulting (BVI) Limited	British Virgin Islands
[f/k/a FTI Forensic Accounting Limited]	
[f/k/a Forensic Accounting Limited]	
FTI Consulting (Cayman) Ltd	Cayman Islands
FTI Consulting (China) Ltd.	China
[f/k/a Thompson Market Services (Shanghai) Co. Ltd]	
FTI Consulting (CM) Limited	Ireland
[f/k/a K Capital Source Limited]	
FTI Consulting (Government Affairs) LLC	New York
FTI Consulting (Hong Kong) Limited	Hong Kong

Legal Name	Jurisdiction
FTI Consulting Capital Advisors (Hong Kong) Limited	Hong Kong
[f/k/a FTI Consulting (Hong Kong) Services Four Limited]	
[f/k/a Sun Easy Investment Limited]	
FTI Consulting (Hong Kong) Services One Limited	Hong Kong
[f/k/a Chater Secretaries Limited]	
Power Famous Limited	Hong Kong
[f/k/a FTI Consulting (Hong Kong) Services Three Limited]	
[f/k/a Power Famous Limited]	
FTI Consulting (Hong Kong) Services Two Limited	Hong Kong
[f/k/a Lansdowne Nominees Limited]	
FTI Consulting (Ireland) Limited	Ireland
[f/k/a Financial Dynamics Ireland Ltd.]	
FTI Consulting (Perth) Pty Ltd	Australia
[f/k/a FD PTY LIMITED]	
[f/k/a FD Third Person Perth Pty Limited]	
[f/k/a Kudos Consultants Pty Limited]	
FTI Consulting (SC) Inc.	New York
[f/k/a FD U.S. Communications, Inc.]	
FTI Consulting (SC) Ltda.	Colombia
[f/k/a FD Gravitas Ltda.]	
[f/k/a Gravitas Comunicaciones Estrategicos Limitada]	
FTI Consulting (Singapore) PTE. LTD.	Singapore
[f/k/a FS Asia Advisory Pte. LTD.]	
FTI Consulting (Strategic Communications) S.A.S.	France
[f/k/a Financial Dynamics S.A.S.]	
FTI Consulting (Sydney) Pty Ltd	Australia, New South Wales
[f/k/a FD (Sydney) PTY LTD]	
[f/k/a FD Third Person Pty Limited]	
[f/k/a Third Person Communications Pty Limited]	
FTI Consulting Acuity LLC	Maryland
FTI Consulting B.V.	Netherlands
[f/k/a Irharo B.V.]	
FTI Consulting Belgium SA	Belgium
[f/k/a Blueprint Partners SA]	
FTI Consulting Canada Inc.	British Columbia, Canada
[f/k/a Watson, Edgar, Bishop, Meakin & Aquirre Inc.]	
FTI Consulting Canada ULC	British Columbia, Canada
FTI Consulting Colombia S.A.S.	Colombia
FTI Consulting Denmark ApS	Denmark
FTI Consulting Deutschland GmbH	Germany
FTI Consulting Deutschland Group Holdings GmbH	Germany

Legal Name	Jurisdiction
FTI Consulting Deutschland Holding GmbH	Germany
[f/k/a Maia Neunundzwanzigste Vermögensverwaltungs-GmbH]	
FTI Consulting Directors (Cayman) Limited	Cayman Islands
FTI Consulting Finland Limited	England and Wales
FTI Consulting Group Holdings, Inc.	District of Columbia
FTI Consulting Group Limited	England and Wales
[f/k/a Financial Dynamics Ltd.]	
FTI Consulting Gulf Limited	England and Wales
[f/k/a FD Gulf Limited]	
[f/k/a FD Dubai Limited]	
FTI Consulting India Private Limited	India
[f/k/a FD Communications India Private Limited]	
FTI Consulting International Limited	British Virgin Islands
FTI Consulting LLC	Maryland
FTI Consulting LLP	England and Wales
[f/k/a-FTI Consulting Management LLP]	
FTI Consulting Malaysia SDN. BHD.	Malaysia
FTI Consulting Management Limited	England and Wales
[f/k/a-FTI Consulting Limited]	
[f/k/a-Carmill Limited]	
FTI Consulting Management Ltd	Hong Kong
[f/k/a-FTI Consulting (Asia) Limited]	
[f/k/a- Baker Tilly Hong Kong Business Recovery Ltd] [f/k/a Baker Tilly Purserblade Asia Limited]	
[f/k/a Purserblade Asia Limited]	
FTI Consulting Management Services Limited	British Virgin Islands
FTI Consulting Management Solutions Limited	Ireland
[f/k/a Distinct Intelligence Limited]	
FTI Consulting Mexico S DE RL DE CV	Mexico
(f/k/a FDFTI Mexico S DE RL DE CV)	
FTI CONSULTING MEXICO SERVICES. S DE R.L. DE C.V.	Mexico
FTI Consulting Panama, SDAD. LTDA.	Panama
FTI Consulting Platt Sparks LLC	Texas
FTI Consulting Pte Ltd.	Singapore
[f/k/a International Risk (Singapore) Pte Ltd].	
FTI Consulting Realty LLC	New York
FTI Consulting Realty, Inc.	California
FTI Consulting S.A.	Argentina
FTI Consulting SC GmbH	Germany
[f/k/a Financial Dynamics GmbH]	
[f/k/a A & B Financial Dynamics gmbh]	

Legal Name	Jurisdiction
FTI Consulting Services (Israel) Ltd.	Israel
FTI Consulting Solutions Limited	England And Wales
[f/k/a Brewer Consulting Limited]	
FTI Consulting South Africa (Pty) Ltd.	S. Africa
[f/k/a FD Media and Investor Relations Pty Ltd.]	
[f/k/a Beachhead Media and Investor Relations (Proprietary) Limited]	
FTI Consulting Spain, S.R.L.	Spain
FTI Consulting Technology (Sydney) Pty Ltd.	Australia
[f/k/a FTI Ringtail (AUST) PTY LTD]	
[f/k/a FTI Australia Pty Ltd.]	
FTI Consulting Technology LLC	Maryland
[f/k/a FTI Technology LLC]	
[f/k/a FTI Repository Services, LLC]	
FTI Consulting Technology Software Corp	Washington
[f/k/a Attenex Corporation]	
FTI Consultoria Ltda.	Brazil
[f/k/a FTI Holder Consultoria LTDA]	
[f/k/a FTI Holder Consultoria S.A.]	
[f/k/a Arbok Holdings S.A.]	
FTI Director Services Limited	British Virgin Islands
[f/k/a FS Director Services Limited]	
FTI Director Services Number 2 Limited	British Virgin Islands
[f/k/a FS Director Services Number 2 Limited]	
FTI Director Services Number 3 Limited	British Virgin Islands
[f/k/a FS Director Services Number 3 Limited]	
FTI Financial Services Limited	England and Wales
[f/k/a Hoodwell Limited]	
FTI France SAS	Paris, France
FTI General Partner (BVI) Limited	British Virgin Islands
FTI General Partner LLC	Maryland
FTI Hosting LLC	Maryland
FTI International LLC	Maryland
[f/k/a FTI FD LLC]	
FTI Investigations, LLC	Maryland
FTI UK Holdings Limited	
FTI, LLC	England and Wales
Gravitas Panama S.A.	Maryland
Greenleaf Power Management LLC	Panama
IRL (Holdings) Limited	Maryland
PT. FTI Consulting Indonesia	British Virgin Islands
Sports Analytics LLC	Indonesia
The Lost City Estates S.A.	Panama

Legal Name	Jurisdiction
Thompson Market Services Limited	Hong Kong
Value Realisation GP LTD	Cayman Islands fin
VR GP 1 LLC	Delaware
VR GP 2 LLC	Delaware
VR GP 3 LLC	Delaware
VR GP 4 LLC	Delaware

Exhibit 23.0

Consent of Independent Registered Public Accounting Firm

The Board of Directors
FTI Consulting, Inc.:

We consent to the incorporation by reference in the registration statement No. 333-218558 on Form S-8 of FTI Consulting, Inc. of our reports dated February 25, 2020, with respect to the consolidated balance sheets of FTI Consulting, Inc. and subsidiaries (the Company) as of December 31, 2019 and 2018, the related consolidated statements of comprehensive income, stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2019, and the related notes and financial statement Schedule II, Valuation and Qualifying Accounts, and the effectiveness of internal control over financial reporting as of December 31, 2019, which reports appear in the December 31, 2019 annual report on Form 10-K of FTI Consulting, Inc.

Our report on the consolidated financial statements refers to the Company's adoption of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 606, *Revenue from Contracts with Customers* and FASB ASC Topic 842, *Leases*.

/s/ KPMG LLP

McLean, Virginia
February 25, 2020

Exhibit 31.1

Certification of Principal Executive Officer

Pursuant to Rule 13a-14(a) and 15d-14(a)

(Section 302 of the Sarbanes-Oxley Act of 2002)

I, Steven H. Gunby, certify that:

1. I have reviewed this Annual Report on Form 10-K of FTI Consulting, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth quarter in the case of an Annual Report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 25, 2020

By: /s/ STEVEN GUNBY

Steven H. Gunby
President and Chief Executive Officer
(principal executive officer)

Exhibit 31.2

Certification of Principal Financial Officer

Pursuant to Rule 13a-14(a) and 15d-14(a)

(Section 302 of the Sarbanes-Oxley Act of 2002)

I, Ajay Sabherwal, certify that:

1. I have reviewed this Annual Report on Form 10-K of FTI Consulting, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth quarter in the case of an Annual Report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 25, 2020

By: /s/ AJAY SABHERWAL

Ajay Sabherwal
Chief Financial Officer
(principal financial officer)

Exhibit 32.1

Certification of Principal Executive Officer
Pursuant to 18 U.S.C. Section 1350
(Section 906 of the Sarbanes-Oxley Act of 2002)

In connection with the Annual Report of FTI Consulting, Inc. (the “Company”) on Form 10-K for the year ended December 31, 2019, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Steven H. Gunby, President and Chief Executive Officer (principal executive officer) of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

1. the Report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended; and
2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 25, 2020

By: /s/ STEVEN GUNBY

Steven H. Gunby
President and Chief Executive Officer
(principal executive officer)

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

Certification of Principal Financial Officer
Pursuant to 18 U.S.C. Section 1350
(Section 906 of the Sarbanes-Oxley Act of 2002)

In connection with the Annual Report of FTI Consulting, Inc. (the “Company”) on Form 10-K for the year ended December 31, 2019, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Ajay Sabherwal, Chief Financial Officer (principal financial officer) of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

1. the Report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended; and
2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 25, 2020

By: /s/ AJAY SABHERWAL

Ajay Sabherwal
Chief Financial Officer
(principal financial officer)

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.