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

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2024

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**

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 Exchange Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	**Outstanding at July 18, 2024**
Common Stock, $0.01 par value	35,902,232

FTI CONSULTING, INC. AND SUBSIDIARIES

INDEX

		Page
PART I—FINANCIAL INFORMATION		
Item 1.	Financial Statements	3
	Condensed Consolidated Balance Sheets—June 30, 2024 and December 31, 2023	3
	Condensed Consolidated Statements of Comprehensive Income—Three and Six Months Ended June 30, 2024 and 2023	4
	Condensed Consolidated Statements of Stockholders' Equity—Three and Six Months Ended June 30, 2024 and 2023	5
	Condensed Consolidated Statements of Cash Flows—Six Months Ended June 30, 2024 and 2023	7
	Notes to Condensed Consolidated Financial Statements	8
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations	16
Item 3.	Quantitative and Qualitative Disclosures About Market Risk	36
Item 4.	Controls and Procedures	36
PART II—OTHER INFORMATION		
Item 1.	Legal Proceedings	37
Item 1A.	Risk Factors	37
Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds	37
Item 3.	Defaults Upon Senior Securities	38
Item 4.	Mine Safety Disclosures	38
Item 5.	Other Information	38
Item 6.	Exhibits	39
SIGNATURES		40

PART I—FINANCIAL INFORMATION

FTI Consulting, Inc. and Subsidiaries

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

Item 1. Financial Statements

	June 30, 2024	December 31, 2023
	(Unaudited)	
Assets		
Current assets		
Cash and cash equivalents	$ 226,428	$ 303,222
Accounts receivable, net	1,190,521	1,102,142
Current portion of notes receivable	45,145	30,997
Prepaid expenses and other current assets	107,117	119,092
Total current assets	1,569,211	1,555,453
Property and equipment, net	152,307	159,662
Operating lease assets	202,511	208,910
Goodwill	1,230,932	1,234,569
Intangible assets, net	18,377	18,285
Notes receivable, net	106,201	75,431
Other assets	78,105	73,568
Total assets	$ 3,357,644	$ 3,325,878
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable, accrued expenses and other	$ 182,667	$ 223,758
Accrued compensation	463,669	601,074
Billings in excess of services provided	67,558	67,937
Total current liabilities	713,894	892,769
Long-term debt	60,000	—
Noncurrent operating lease liabilities	214,517	223,774
Deferred income taxes	136,374	140,976
Other liabilities	83,479	86,939
Total liabilities	1,208,264	1,344,458
Commitments and contingencies (Note 10)		
Stockholders' equity		
Preferred stock, $0.01 par value; shares authorized — 5,000; none outstanding	—	—
Common stock, $0.01 par value; shares authorized — 75,000; shares issued and outstanding 35,902 (2024) and 35,521 (2023)	359	355
Additional paid-in capital	33,955	16,760
Retained earnings	2,278,677	2,114,765
Accumulated other comprehensive loss	(163,611)	(150,460)
Total stockholders' equity	2,149,380	1,981,420
Total liabilities and stockholders' equity	$ 3,357,644	$ 3,325,878

See accompanying notes to condensed consolidated financial statements

FTI Consulting, Inc. and Subsidiaries

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Revenues	$ 949,156	$ 864,591	$ 1,877,709	$ 1,671,297
Operating expenses				
Direct cost of revenues	637,749	588,094	1,263,783	1,141,603
Selling, general and administrative expenses	206,235	186,371	408,105	370,584
Amortization of intangible assets	1,080	1,417	2,096	3,599
	845,064	775,882	1,673,984	1,515,786
Operating income	104,092	88,709	203,725	155,511
Other income (expense)				
Interest income and other	1,909	(584)	3,490	(1,926)
Interest expense	(3,319)	(3,022)	(5,038)	(5,961)
	(1,410)	(3,606)	(1,548)	(7,887)
Income before income tax provision	102,682	85,103	202,177	147,624
Income tax provision	18,735	22,708	38,265	37,682
Net income	$ 83,947	$ 62,395	$ 163,912	$ 109,942
Earnings per common share — basic	$ 2.38	$ 1.87	$ 4.67	$ 3.30
Earnings per common share — diluted	$ 2.34	$ 1.75	$ 4.58	$ 3.09
Other comprehensive income (loss), net of tax				
Foreign currency translation adjustments, net of tax expense of $0	$ (1,718)	$ 6,396	$ (13,151)	$ 16,246
Total other comprehensive income (loss), net of tax	(1,718)	6,396	(13,151)	16,246
Comprehensive income	$ 82,229	$ 68,791	$ 150,761	$ 126,188

See accompanying notes to condensed consolidated financial statements

FTI Consulting, Inc. and Subsidiaries

Condensed Consolidated Statements of Stockholders' Equity
(in thousands)
(Unaudited)

	Common Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total
	Shares	Amount				
Balance at December 31, 2023	35,521	$ 355	$ 16,760	$ 2,114,765	$ (150,460)	$ 1,981,420
Net income	—	$ —	$ —	$ 79,965	$ —	$ 79,965
Other comprehensive loss:						
Cumulative translation adjustment	—	—	—	—	(11,433)	(11,433)
Issuance of common stock in connection with:						
Exercise of options	106	1	3,897	—	—	3,898
Restricted share grants, less net settled shares of 57	70	1	(11,112)	—	—	(11,111)
Stock units issued under incentive compensation plan	—	—	2,805	—	—	2,805
Share-based compensation	—	—	8,812	—	—	8,812
Balance at March 31, 2024	35,697	$ 357	$ 21,162	$ 2,194,730	$ (161,893)	$ 2,054,356
Net income	—	$ —	$ —	$ 83,947	$ —	$ 83,947
Other comprehensive loss:						
Cumulative translation adjustment	—	—	—	—	(1,718)	(1,718)
Issuance of common stock in connection with:						
Exercise of options	180	2	6,714	—	—	6,716
Restricted share grants, less net settled shares of 15	25	—	(3,210)	—	—	(3,210)
Share-based compensation	—	—	9,289	—	—	9,289
Balance at June 30, 2024	35,902	$ 359	$ 33,955	$ 2,278,677	$ (163,611)	$ 2,149,380

	Common Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total
	Shares	Amount				
Balance at December 31, 2022	34,026	$ 340	$ —	$ 1,858,103	$ (176,722)	$ 1,681,721
Net income	—	$ —	$ —	$ 47,547	$ —	$ 47,547
Other comprehensive income:						
Cumulative translation adjustment	—	—	—	—	9,850	9,850
Issuance of common stock in connection with:						
Exercise of options	14	—	449	—	—	449
Restricted share grants, less net settled shares of 55	55	1	(9,514)	—	—	(9,513)
Stock units issued under incentive compensation plan	—	—	2,274	—	—	2,274
Purchase and retirement of common stock	(112)	(1)	(17,798)	—	—	(17,799)
Conversion of convertible senior notes due 2023	—	—	(6)	—	—	(6)
Share-based compensation	—	—	6,365	—	—	6,365
Reclassification of negative additional paid-in capital	—	—	18,230	(18,230)	—	—
Balance at March 31, 2023	33,983	$ 340	$ —	$ 1,887,420	$ (166,872)	$ 1,720,888
Net income	—	$ —	$ —	$ 62,395	$ —	$ 62,395
Other comprehensive income:						
Cumulative translation adjustment	—	—	—	—	6,396	6,396
Issuance of common stock in connection with:						
Exercise of options	21	—	718	—	—	718
Restricted share grants, less net settled shares of 13	30	—	(2,408)	—	—	(2,408)
Conversion of convertible senior notes due 2023	—	—	(375)	—	—	(375)
Share-based compensation	—	—	7,538	—	—	7,538
Balance at June 30, 2023	34,034	$ 340	$ 5,473	$ 1,949,815	$ (160,476)	$ 1,795,152

See accompanying notes to condensed consolidated financial statements

FTI Consulting, Inc. and Subsidiaries

Condensed Consolidated Statements of Cash Flows
(in thousands)
(Unaudited)

	Six Months Ended June 30,	
	2024	**2023**
Operating activities		
Net income	$ 163,912	$ 109,942
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation and amortization	21,173	19,547
Amortization of intangible assets	2,096	3,599
Provision for expected credit losses	19,923	11,188
Share-based compensation	18,101	13,903
Deferred income taxes	(6,840)	(6,571)
Acquisition-related contingent consideration	(1,157)	3,543
Amortization of debt issuance costs and other	387	1,296
Changes in operating assets and liabilities, net of effects from acquisitions:		
Accounts receivable, billed and unbilled	(115,106)	(245,999)
Notes receivable	(45,197)	(22,539)
Prepaid expenses and other assets	(12,630)	(6,718)
Accounts payable, accrued expenses and other	(8,934)	(159)
Income taxes	(29,727)	(13,122)
Accrued compensation	(145,509)	(130,625)
Billings in excess of services provided	(84)	(2,485)
Net cash used in operating activities	(139,592)	(265,200)
Investing activities		
Purchases of property and equipment and other	(14,700)	(29,027)
Maturity of short-term investment	25,246	—
Net cash provided by (used in) investing activities	10,546	(29,027)
Financing activities		
Borrowings under revolving line of credit	520,000	245,000
Repayments under revolving line of credit	(460,000)	(220,000)
Purchase and retirement of common stock	—	(20,982)
Share-based compensation tax withholdings	(14,320)	(11,922)
Proceeds on stock option exercises	10,614	1,167
Deposits and other	2,023	(2,206)
Net cash provided by (used in) financing activities	58,317	(8,943)
Effect of exchange rate changes on cash and cash equivalents	(6,065)	15,021
Net decrease in cash and cash equivalents	(76,794)	(288,149)
Cash and cash equivalents, beginning of period	303,222	491,688
Cash and cash equivalents, end of period	$ 226,428	$ 203,539
Supplemental cash flow disclosures		
Cash paid for interest	$ 4,020	$ 4,144
Cash paid for income taxes and tax credits, net of refunds	$ 74,831	$ 57,376
Non-cash financing activities:		
Issuance of stock units under incentive compensation plans	$ 2,805	$ 2,274

See accompanying notes to condensed consolidated financial statements

1. Basis of Presentation and Significant Accounting Policies

The unaudited condensed consolidated financial statements of FTI Consulting, Inc., including its consolidated subsidiaries (collectively, the "Company," "we," "our" or "FTI Consulting"), presented herein, have been prepared in accordance with generally accepted accounting principles in the United States ("GAAP") and under the rules and regulations of the Securities and Exchange Commission ("SEC") for interim financial information. Some of the information and footnote disclosures normally included in annual financial statements have been condensed or omitted pursuant to those rules and regulations. Certain prior period amounts have been reclassified to conform to the current period presentation. In management's opinion, the interim financial statements reflect all adjustments that are necessary for a fair presentation of the results for the interim periods presented. All adjustments made were normal recurring accruals. Results of operations for the interim periods presented herein are not necessarily indicative of results of operations for a full year. These financial statements should be read in conjunction with the consolidated financial statements and the notes thereto contained in our Annual Report on Form 10-K for the year ended December 31, 2023 filed with the SEC.

Note 1 to the Consolidated Financial Statements included in Part II, Item 8, of our Annual Report on Form 10-K for the year ended December 31, 2023 describes the significant accounting policies and methods used in preparation of the Condensed Consolidated Financial Statements in this Quarterly Report on Form 10-Q.

In August 2022, the Inflation Reduction Act ("IRA") was enacted into law. The IRA, among other things, includes provisions that permit clean energy tax credits that are transferable to an unrelated third party in exchange for cash payment. When the control of the investment tax credits transfers, the acquired credits are recognized as deferred tax assets and are measured under Accounting Standards Codification Topic 740, Income Taxes. The difference between the purchase price and the tax basis of the purchased credits is recognized as deferred credits. The deferred credits are recognized in income tax expense in proportion to the reversal of the associated deferred tax asset. The amounts paid for the tax credits are presented in the "Cash paid for income taxes and tax credits, net of tax refunds" line in the supplemental cash flow disclosures.

2. New Accounting Standards

In November 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*, which expands public entities' segment disclosures by requiring disclosure of significant segment expenses that are regularly provided to the chief operating decision maker and included within each reported measure of segment profit or loss, an amount and description of its composition for other segment items, and interim disclosures of a reportable segment's profit or loss and assets. The ASU is effective for annual periods beginning after December 15, 2023 and interim periods beginning after December 15, 2024, and requires retrospective application to all prior periods presented in the financial statements. Early adoption is permitted. The Company is in the process of evaluating the impact of this new guidance on its consolidated financial statements.

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740)*: *Improvements to Income Tax Disclosures*, which expands annual disclosures in an entity's income tax rate reconciliation table and requires annual disclosures regarding cash taxes paid both in the United States ("U.S.") (federal, state and local) and foreign jurisdictions. The amendments in this ASU are effective for annual periods beginning after December 15, 2024. 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 stock options and share-based awards (restricted share awards, restricted stock units and performance stock units), each using the treasury stock method.

For the three and six months ended June 30, 2023, we used the if-converted method for calculating the potential dilutive effect of the conversion feature of the principal amount of our 2.0% convertible senior notes due 2023 ("2023 Convertible Notes") on earnings per common share. The conversion feature had a dilutive impact on earnings per common share for the three and six months ended June 30, 2023, as the average market price per share of our common stock for the period exceeded the conversion price of $101.38 per share. During the three and six months ended June 30, 2024, there were no 2023 Convertible Notes outstanding.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Numerator — basic and diluted				
Net income	$ 83,947	$ 62,395	$ 163,912	$ 109,942
Denominator				
Weighted average number of common shares outstanding — basic	35,221	33,359	35,099	33,331
Effect of dilutive share-based awards	513	550	531	562
Effect of dilutive stock options	111	297	186	301
Effect of dilutive convertible notes	—	1,444	—	1,372
Weighted average number of common shares outstanding — diluted	35,845	35,650	35,816	35,566
Earnings per common share — basic	$ 2.38	$ 1.87	$ 4.67	$ 3.30
Earnings per common share — diluted	$ 2.34	$ 1.75	$ 4.58	$ 3.09
Antidilutive stock options and share-based awards	40	3	32	6

4. Revenues

We generate the majority of our revenues by providing consulting services to our clients. 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. 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.

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 $8.9 million and $11.2 million for the three and six months ended June 30, 2024, respectively, and $7.8 million and $5.4 million for the three and six months ended June 30, 2023, respectively.

Unfulfilled performance obligations primarily consist of fees not yet recognized on certain fixed-fee arrangements and performance-based and contingent arrangements. As of June 30, 2024 and December 31, 2023, the aggregate amount of the remaining contract transaction price allocated to unfulfilled performance obligations was $23.1 million and $34.6 million, respectively. We expect to recognize the majority of the related revenues over the next 36 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 revenues 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 immaterial as of June 30, 2024 and December 31, 2023.

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 fees before work begins. The contract liability balance was immaterial as of June 30, 2024 and December 31, 2023.

5. Accounts Receivable and Allowance for Expected Credit Losses

The following table summarizes the components of "Accounts receivable, net" as presented on the Condensed Consolidated Balance Sheets:

	June 30, 2024	December 31, 2023
Accounts receivable:		
Billed receivables	$ 818,240	$ 745,371
Unbilled receivables	443,723	421,488
Allowance for expected credit losses	(71,442)	(64,717)
Accounts receivable, net	$ 1,190,521	$ 1,102,142

The following table summarizes the total provision for expected credit losses and write-offs:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Provision for expected credit losses	$ 8,503	$ 4,176	$ 19,923	$ 11,188
Write-offs	$ 9,511	$ 1,665	$ 19,881	$ 9,553

Our provision for expected credit losses includes recoveries, direct write-offs and charges to other accounts. Billed accounts receivables are written off when the potential for recovery is considered remote.

6. Goodwill and Intangible Assets

Goodwill

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

	Corporate Finance & Restructuring [1]	Forensic and Litigation Consulting [1]	Economic Consulting [1]	Technology [1]	Strategic Communications [2]	Total
Balance at December 31, 2023	$ 540,991	$ 213,415	$ 268,482	$ 96,802	$ 114,879	$ 1,234,569
Foreign currency translation adjustment	(2,288)	(571)	(185)	(10)	(583)	(3,637)
Balance at June 30, 2024	$ 538,703	$ 212,844	$ 268,297	$ 96,792	$ 114,296	$ 1,230,932

[1] There were no accumulated impairment losses for the Corporate Finance & Restructuring ("Corporate Finance"), Forensic and Litigation Consulting ("FLC"), Economic Consulting or Technology segments as of June 30, 2024 and December 31, 2023.

[2] Amounts for our Strategic Communications segment include gross carrying values of $308.4 million and $309.0 million as of June 30, 2024 and December 31, 2023, respectively, and accumulated impairment losses of $194.1 million as of June 30, 2024 and December 31, 2023.

Intangible Assets

Intangible assets were as follows:

	June 30, 2024			December 31, 2023		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Amortizing intangible assets						
Customer relationships	$ 29,035	$ 17,638	$ 11,397	$ 27,000	$ 16,640	$ 10,3
Trademarks	9,426	7,712	1,714	9,712	7,129	2,5
Acquired software and other	865	699	166	888	646	2
	39,326	26,049	13,277	37,600	24,415	13,1
Non-amortizing intangible assets						
Trademarks	5,100	—	5,100	5,100	—	5,1
Total	$ 44,426	$ 26,049	$ 18,377	$ 42,700	$ 24,415	$ 18,2

Intangible assets with finite lives are amortized over their estimated useful lives. We recorded amortization expense of $1.1 million and $2.1 million during the three and six months ended June 30, 2024, respectively, and $1.4 million and $3.6 million for the three and six months ended June 30, 2023, respectively.

7. Financial Instruments

The fair values of all financial instruments are estimated to be equal to their carrying values as of June 30, 2024 and December 31, 2023. We estimate the fair value of acquisition-related contingent consideration using either a probability-weighted discounted cash flow model or a Monte Carlo pricing model. 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. Significant increases (or decreases) in these unobservable inputs in isolation would result in significantly lower (or higher) fair values. We reassess the fair value of our acquisition-related contingent consideration at each reporting period based on additional information as it becomes available. The fair value of acquisition-related contingent consideration was $5.1 million and $12.8 million as of June 30, 2024 and December 31, 2023, respectively. There were no other assets or liabilities subject to Level 3 fair value measurements as of June 30, 2024 and December 31, 2023.

8. Debt

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

	June 30, 2024	December 31, 2023
Credit Facility	$ 60,000	$ —
Long-term debt [1]	$ 60,000	$ —

[1] There were no current portions of long-term debt as of June 30, 2024 and December 31, 2023.

In November 2022, we entered into the second amended and restated credit agreement governing our senior secured bank revolving credit facility ("Credit Facility") to, among other things, (i) extend the maturity to November 21, 2027, (ii) increase the revolving line of credit limit from $550.0 million to $900.0 million, and (iii) increase the incremental facility from $150.0 million to a maximum of $300.0 million, subject to certain conditions, and incurred an additional $4.0 million of debt issuance costs. The Credit Facility is guaranteed by substantially all of our wholly owned domestic subsidiaries and is secured by a first priority security interest in substantially all of the assets of FTI Consulting and such domestic subsidiaries.

Borrowings under the Credit Facility bear interest at a rate equal to, in the case of: (i) U.S. Dollars ("USD"), at our option, Adjusted Term Secured Overnight Financing Rate ("SOFR") or Adjusted Daily Simple SOFR, (ii) euro, Euro Interbank Offered Rate, (iii) British pound, Sterling Overnight Index Average Reference Rate, (iv) Australian dollars, Bank Bill Swap Reference Bid Rate, (v) Canadian dollars, Canadian Dollar Offered Rate, (vi) Swiss franc, Swiss Average Rate Overnight, and (vii) Japanese yen, Tokyo Interbank Offered Rate, in each case, plus an applicable margin that will fluctuate between 1.25% per annum and 2.00% per annum based upon the Company's Consolidated Total Net Leverage Ratio (as defined in the Credit Facility) at such time or, in the case of USD borrowings, an alternative base rate plus an applicable margin that will fluctuate

between 0.25% per annum and 1.00% per annum based upon the Company's Consolidated Total Net Leverage Ratio at such time. The alternative base rate is a fluctuating rate per annum equal to the highest of (1) the federal funds rate plus the sum of 50 basis points, (2) the rate of interest in effect for such day as the prime rate announced by Bank of America, and (3) the one-month Term SOFR plus 100 basis points.

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.

The Company classified the borrowings under the Credit Facility as long-term debt in the accompanying Condensed Consolidated Balance Sheets, as we have the intent and unilateral ability to refinance any borrowings on a continuous basis through the maturity of the Credit Facility on November 21, 2027.

There were $3.0 million and $3.4 million of unamortized debt issuance costs related to the Credit Facility as of June 30, 2024 and December 31, 2023, respectively. These amounts are included in "Other assets" on our Condensed Consolidated Balance Sheets.

9. Leases

We lease office space and equipment under non-cancelable operating leases. The table below summarizes the carrying amount of our operating lease assets and liabilities:

Leases	Classification	June 30, 2024	December 31, 2023
Assets			
Operating lease assets	Operating lease assets	$ 202,511	$ 208,910
Total lease assets		$ 202,511	$ 208,910
Liabilities			
Current			
Operating lease liabilities	Accounts payable, accrued expenses and other	$ 37,547	$ 33,864
Noncurrent			
Operating lease liabilities	Noncurrent operating lease liabilities	214,517	223,774
Total lease liabilities		$ 252,064	$ 257,638

The table below summarizes total lease costs:

	Three Months Ended June 30,		Six Months Ended June 30,	
Lease Cost	**2024**	**2023**	**2024**	**2023**
Operating lease costs	$ 12,364	$ 12,965	$ 24,908	$ 25,948
Short-term lease costs	952	708	1,394	1,400
Variable lease costs and other	3,696	2,985	6,783	5,778
Total lease cost, net	$ 17,012	$ 16,658	$ 33,085	$ 33,126

The maturity analysis below summarizes the remaining future undiscounted cash flows for our operating leases and includes a reconciliation to operating lease liabilities reported on the Condensed Consolidated Balance Sheets:

	As of June 30, 2024
2024 (remaining)	$ 26,952
2025	50,846
2026	44,950
2027	43,567
2028	35,126
Thereafter	114,052
Total future lease payments	315,493
Less: imputed interest	(63,429)
Total	$ 252,064

The table below includes cash paid for our operating lease liabilities, other non-cash information, our weighted average remaining lease term and weighted average discount rate:

	Six Months Ended June 30,	
	2024	2023
Cash paid for amounts included in the measurement of operating lease liabilities	$ 27,501	$ 28,039
Operating lease assets obtained in exchange for lease liabilities	$ 13,018	$ 19,671
Weighted average remaining lease term (years)		
Operating leases	7.5	8.1
Weighted average discount rate		
Operating leases	5.9 %	5.7 %

10. 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 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.

11. Share-Based Compensation

During the six months ended June 30, 2024, we granted 67,493 restricted share awards, 58,405 restricted stock units and 75,994 performance stock units under the FTI Consulting, Inc. 2017 Omnibus Incentive Compensation Plan, our employee equity compensation plan. Our performance stock units are presented at the maximum potential payout percentage of 150% of target shares granted. These awards are recorded as equity on the Condensed Consolidated Balance Sheets. During the six months ended June 30, 2024, 12,212 shares of restricted stock, 1,059 restricted stock units and no stock options were forfeited prior to the completion of the applicable vesting requirements. Additionally, 988 performance stock units were forfeited during the six months ended June 30, 2024, arising from award targets that were not achieved.

Total share-based compensation expense, net of forfeitures is detailed in the following table:

	Three Months Ended June 30,		Six Months Ended June 30,	
Income Statement Classification	**2024**	**2023**	**2024**	**2023**
Direct cost of revenues	$ 5,081	$ 4,562	$ 10,799	$ 9,261
Selling, general and administrative expenses	5,406	3,863	9,906	8,907
Total share-based compensation expense	$ 10,487	$ 8,425	$ 20,705	$ 18,168

12. 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, February 21, 2019 and February 20, 2020, our Board of Directors authorized an additional $100.0 million. On each of July 28, 2020 and December 3, 2020, our Board of Directors authorized an additional $200.0 million. On December 1, 2022, our Board of Directors authorized an additional $400.0 million, increasing the Repurchase Program to an aggregate authorization of $1.3 billion. 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 June 30, 2024, we had $460.7 million available under the Repurchase Program to repurchase additional shares.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Shares of common stock repurchased and retired	—	—	—	112
Average price paid per share	$ —	$ —	$ —	$ 158.70
Total cost	$ —	$ —	$ —	$ 17,797

As we repurchase our common shares, we reduce stated capital on our Condensed Consolidated Balance Sheets for the $0.01 of par value of the shares repurchased, with the excess purchase price over par value recorded as a reduction to additional paid-in capital. If additional paid-in capital is reduced to zero, we record the remainder of the excess purchase price over par value as a reduction of retained earnings.

Common Stock Outstanding

Common stock outstanding was approximately 35.9 million shares and 35.5 million shares as of June 30, 2024 and December 31, 2023, respectively. Common stock outstanding includes unvested restricted stock awards, which are considered issued and outstanding under the terms of the restricted stock award agreements.

13. 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. Our clients include companies, boards of directors, investors, private equity sponsors, lenders, governments and other financing sources and creditor groups, as well as other parties-in-interest. We deliver a wide range of services centered around four core offerings: Business Transformation, Strategy, Transactions and Turnaround & Restructuring.

Our FLC segment provides law firms, companies, boards of directors, government entities, private equity firms and other interested parties with a multidisciplinary and independent range of services across risk and investigations and disputes, supported by our data & analytics technology-enabled solutions, with a focus on highly regulated industries. Our services are centered around five core offerings: Construction, Projects & Assets and Environmental Solutions, Data & Analytics, Disputes, Healthcare Risk Management & Advisory, and Risk and Investigations.

Our Economic Consulting segment, including subsidiary Compass Lexecon LLC, provides law firms, companies, government entities and other interested parties with analyses of complex economic issues for use in international arbitration, legal and regulatory proceedings, and strategic decision making and public policy debates around the world. We deliver a wide range of services centered around three core offerings: Antitrust & Competition Economics, Financial Economics and International Arbitration.

Our Technology segment provides companies, law firms, private equity firms and government entities with a comprehensive global portfolio of digital insights and risk management consulting services. Our professionals help organizations better address risk as the growing volume and variety of enterprise and emerging data intersects with legal, regulatory and compliance needs. We deliver a wide range of expert and analytics-powered solutions driven by investigations, litigation, antitrust and competition, merger & acquisition, restructuring and compliance and risk through three core offerings: Corporate Legal Department Consulting, E-discovery Services and Expertise, and Information Governance, Privacy & Security Services.

Our Strategic Communications segment develops and executes communications strategies to help management teams, boards of directors, law firms, governments and regulators manage change and mitigate risk surrounding transformational and disruptive events, including transactions, investigations, disputes, crises, regulation and legislation. We deliver a wide range of services centered around three core offerings: Corporate Reputation, Financial Communications and Public Affairs.

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'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 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 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.

The table below presents revenues and Adjusted Segment EBITDA for our reportable segments:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Revenues				
Corporate Finance [1]	$ 347,971	$ 317,912	$ 713,981	$ 633,564
FLC [1]	169,496	164,760	345,570	322,499
Economic Consulting	230,873	201,822	435,421	371,417
Technology	115,875	97,444	216,588	188,062
Strategic Communications	84,941	82,653	166,149	155,755
Total revenues	$ 949,156	$ 864,591	$ 1,877,709	$ 1,671,297
Adjusted Segment EBITDA				
Corporate Finance [1]	$ 66,467	$ 45,510	$ 141,692	$ 97,357
FLC [1]	14,994	25,598	48,703	47,382
Economic Consulting	44,296	35,523	58,446	49,716
Technology	20,930	20,087	35,511	35,453
Strategic Communications	11,611	12,263	24,037	21,819
Total Adjusted Segment EBITDA	$ 158,298	$ 138,981	$ 308,389	$ 251,727

(1) Effective July 1, 2023, prior period segment information for the Corporate Finance and FLC segments has been recast in this Quarterly Report on Form 10-Q to include the reclassification of a portion of the Company's health solutions practice in the FLC segment to our realigned business transformation practice within our Corporate Finance segment.

The table below reconciles net income to Total Adjusted Segment EBITDA:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net income	$ 83,947	$ 62,395	$ 163,912	$ 109,942
Add back:				
Income tax provision	18,735	22,708	38,265	37,682
Interest income and other	(1,909)	584	(3,490)	1,926
Interest expense	3,319	3,022	5,038	5,961
Unallocated corporate expenses	42,884	39,026	82,415	73,761
Segment depreciation expense	10,242	9,829	20,153	18,856
Amortization of intangible assets	1,080	1,417	2,096	3,599
Total Adjusted Segment EBITDA	$ 158,298	$ 138,981	$ 308,389	$ 251,727

Item 2. 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, and liquidity and capital resources for the three and six months ended June 30, 2024 and 2023, and significant factors that could affect our prospective financial condition and results of operations. This discussion should be read in conjunction with the accompanying unaudited condensed consolidated financial statements and related notes and with our Annual Report on Form 10-K for the year ended December 31, 2023 filed with the United States ("U.S.") Securities and Exchange Commission ("SEC"). In addition to historical information, the following discussion includes forward-looking statements based on current expectations that involve risks, uncertainties and assumptions, such as our plans, objectives, expectations and intentions. Although we believe that the expectations reflected in the forward-looking statements contained herein are reasonable, these expectations or any of the forward-looking statements could prove to be incorrect, and actual results could differ materially from those projected or assumed in the forward-looking statements.

BUSINESS OVERVIEW

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 & 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:

Our **Corporate Finance & Restructuring ("Corporate Finance")** 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, lenders, governments and other financing sources and creditor groups, as well as other parties-in-interest. We deliver a wide range of services centered around four core offerings: Business Transformation, Strategy, Transactions and Turnaround & Restructuring.

Our **Forensic and Litigation Consulting ("FLC")** segment provides law firms, companies, boards of directors, government entities, private equity firms and other interested parties with a multidisciplinary and independent range of services across risk and investigations and disputes, supported by our data & analytics technology-enabled solutions, with a focus on highly regulated industries. Our services are centered around five core offerings: Construction, Projects & Assets and Environmental Solutions, Data & Analytics, Disputes, Healthcare Risk Management & Advisory, and Risk and Investigations.

Our **Economic Consulting** segment, including subsidiary Compass Lexecon LLC, provides law firms, companies, government entities and other interested parties with analyses of complex economic issues for use in international arbitration, legal and regulatory proceedings, and strategic decision making and public policy debates around the world. We deliver a wide range of services centered around three core offerings: Antitrust & Competition Economics, Financial Economics and International Arbitration.

Our **Technology** segment provides companies, law firms, private equity firms and government entities with a comprehensive global portfolio of digital insights and risk management consulting services. Our professionals help organizations better address risk as the growing volume and variety of enterprise and emerging data intersects with legal, regulatory and compliance needs. We deliver a wide range of expert and analytics-powered solutions driven by investigations, litigation, antitrust and competition, merger & acquisition ("M&A"), restructuring and compliance and risk through three core offerings: Corporate Legal Department Consulting, E-discovery Services and Expertise, and Information Governance, Privacy & Security Services.

Our **Strategic Communications** segment develops and executes communications strategies to help management teams, boards of directors, law firms, governments and regulators manage change and mitigate risk surrounding transformational and disruptive events, including transactions, investigations, disputes, crises, regulation and legislation. We deliver a wide range of services centered around three core offerings: Corporate Reputation, Financial Communications and Public Affairs.

We derive substantially all of our revenues from providing professional services to both U.S. and international clients. Most of our services are rendered under time and expense contract arrangements, which require the client to pay us based on the number of hours worked at contractually agreed-upon rates. Under this arrangement, we typically bill our clients for reimbursable expenses, including those relating to travel, out-of-pocket expenses, outside consultants and other outside service costs. Certain contracts are rendered under fixed-fee arrangements, which require the client to pay a fixed fee in exchange for a predetermined set of professional services. Fixed-fee arrangements may require certain clients to pay us a recurring retainer.

Our contract arrangements may also contain success fees or performance-based arrangements in which our fees are based on the attainment of contractually defined objectives with our client. 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 another unit-based method and include revenues from data processing and hosting. Unit-based revenues include revenues associated with licensed software products 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;
- 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. When significant, we identify the impact of acquisition-related revenue growth.

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 U.S. ("GAAP"). Certain of these financial measures are considered not in conformity with GAAP ("non-GAAP financial measures") under the 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 13, "Segment Reporting" in Part I, Item 1, of this

Quarterly Report on Form 10-Q, 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 Total Adjusted Segment EBITDA, which is a non-GAAP financial measure, as the total of Adjusted Segment EBITDA for all segments, which excludes unallocated corporate expenses. We define Adjusted EBITDA, which is a non-GAAP financial measure, as consolidated net income before income tax provision, other non-operating income (expense), depreciation, amortization of intangible assets, remeasurement of acquisition-related contingent consideration, special charges, goodwill impairment charges, gain or loss on sale of a business and losses on early extinguishment of debt. We believe that these non-GAAP financial measures, when considered together with our GAAP financial results and GAAP financial measures, provide management and investors with a more complete understanding of our operating results, including underlying trends. In addition, EBITDA is a common alternative measure of operating performance used by many of our competitors. It is used by investors, financial analysts, rating agencies and others to value and compare the financial performance of companies in our industry. Therefore, we also believe that these non-GAAP financial measures, considered along with corresponding GAAP financial measures, provide management and investors with additional information for comparison of our operating results with the operating results of other companies. We define Adjusted EBITDA Margin, which is a non-GAAP financial measure, as Adjusted EBITDA as a percentage of total revenues.

We define Adjusted Net Income and Adjusted Earnings per Diluted Share ("Adjusted EPS"), which are non-GAAP financial measures, as net income and earnings per diluted share ("EPS"), respectively, excluding the impact of remeasurement of acquisition-related contingent consideration, special charges, goodwill impairment charges, the gain or loss on sale of a business and losses on early extinguishment of debt. We use Adjusted Net Income for the purpose of calculating Adjusted EPS. Management uses Adjusted EPS to assess total Company operating performance on a consistent basis. We believe that 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 used in operating activities less cash payments for purchases of property and equipment. We believe this non-GAAP financial measure, when considered together with our GAAP financial results, provides management and investors with an additional understanding of the Company's ability to generate cash for ongoing business operations and other capital deployment.

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

EXECUTIVE HIGHLIGHTS

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	(dollar amounts in thousands, except per share data)		(dollar amounts in thousands, except per share data)	
Revenues	$ 949,156	$ 864,591	$ 1,877,709	$ 1,671,297
Net income	$ 83,947	$ 62,395	$ 163,912	$ 109,942
Adjusted EBITDA	$ 115,921	$ 100,230	$ 226,994	$ 178,657
Earnings per common share — diluted	$ 2.34	$ 1.75	$ 4.58	$ 3.09
Adjusted earnings per common share — diluted	$ 2.34	$ 1.75	$ 4.58	$ 3.09
Net cash provided by (used in) operating activities	$ 135,226	$ (10,994)	$ (139,592)	$ (265,200)
Total number of employees	8,037	7,853	8,037	7,853

Second Quarter 2024 Executive Highlights

Revenues

Revenues for the three months ended June 30, 2024 increased $84.6 million, or 9.8%, to $949.2 million, compared to the three months ended June 30, 2023, primarily due to higher demand in our Corporate Finance, Economic Consulting and Technology segments.

Net income

Net income for the three months ended June 30, 2024 increased $21.6 million, or 34.5%, to $83.9 million, compared to the three months ended June 30, 2023. The increase in net income was primarily due to higher revenues, a lower effective tax rate and an FX remeasurement gain compared to a loss in the same quarter in the prior year, which was partially offset by an increase in direct compensation and selling, general and administrative ("SG&A") expenses.

Adjusted EBITDA

Adjusted EBITDA for the three months ended June 30, 2024 increased $15.7 million, or 15.7%, to $115.9 million, compared to the three months ended June 30, 2023. Adjusted EBITDA Margin of 12.2% for the three months ended June 30, 2024 compared to 11.6% for the three months ended June 30, 2023. The increase in Adjusted EBITDA was primarily due to higher revenues, which was partially offset by increased direct compensation and SG&A expenses.

EPS and Adjusted EPS

EPS for the three months ended June 30, 2024 increased $0.59 to $2.34 compared to $1.75 for the three months ended June 30, 2023. The increase in EPS was primarily due to higher net income as described above.

Adjusted EPS was equal to EPS for the three months ended June 30, 2024 and 2023, respectively.

Liquidity and Capital Allocation

Net cash provided by operating activities for the three months ended June 30, 2024 increased $146.2 million to $135.2 million, compared to net cash used in operating activities of $11.0 million for the three months ended June 30, 2023. The increase in net cash provided by operating activities was primarily due to an increase in cash collections resulting from higher revenues, which was partially offset by higher operating expenses and an increase in compensation payments, primarily related to variable compensation, annual salary increases and headcount growth. Days sales outstanding ("DSO") of 105 days at June 30, 2024 compared to 111 days at June 30, 2023. The decrease in DSO was primarily due to cash collections that outpaced the increase in revenues.

Free Cash Flow was an inflow of $125.2 million and an outflow of $22.0 million for the three months ended June 30, 2024 and 2023, respectively. The increase in Free Cash Flow for the three months ended June 30, 2024 was primarily due to higher net cash provided by operating activities, as described above, and a decrease in net cash used for purchases of property and equipment.

Headcount

The following table includes the net headcount additions (reductions) by segment and in total for the six months ended June 30, 2024.

	Billable Headcount							
	Corporate Finance	FLC	Economic Consulting	Technology	Strategic Communications	Total	Non-Billable Headcount	Total Headcount
December 31, 2023	2,215	1,447	1,089	628	971	6,350	1,640	7,990
Additions (reductions), net	(30)	16	2	18	10	16	49	65
March 31, 2024	2,185	1,463	1,091	646	981	6,366	1,689	8,055
Additions (reductions), net	(18)	(6)	(15)	16	(9)	(32)	14	(18)
June 30, 2024	2,167	1,457	1,076	662	972	6,334	1,703	8,037
Percentage change in headcount from December 31, 2023	(2.2)%	0.7%	(1.2)%	5.4%	0.1%	(0.3)%	3.8%	0.6%

CONSOLIDATED RESULTS OF OPERATIONS

Segment and Consolidated Operating Results:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	(in thousands, except per share data)		(in thousands, except per share data)	
Revenues				
Corporate Finance [1]	$ 347,971	$ 317,912	$ 713,981	$ 633,564
FLC [1]	169,496	164,760	345,570	322,499
Economic Consulting	230,873	201,822	435,421	371,417
Technology	115,875	97,444	216,588	188,062
Strategic Communications	84,941	82,653	166,149	155,755
Total revenues	$ 949,156	$ 864,591	$ 1,877,709	$ 1,671,297
Segment operating income				
Corporate Finance [1]	$ 63,193	$ 42,116	$ 135,112	$ 90,092
FLC [1]	13,100	23,885	45,067	44,173
Economic Consulting	42,952	34,024	55,817	46,724
Technology	17,137	16,432	28,076	28,322
Strategic Communications	10,594	11,278	22,068	19,961
Total segment operating income	146,976	127,735	286,140	229,272
Unallocated corporate expenses	(42,884)	(39,026)	(82,415)	(73,761)
Operating income	104,092	88,709	203,725	155,511
Other income (expense)				
Interest income and other	1,909	(584)	3,490	(1,926)
Interest expense	(3,319)	(3,022)	(5,038)	(5,961)
	(1,410)	(3,606)	(1,548)	(7,887)
Income before income tax provision	102,682	85,103	202,177	147,624
Income tax provision	18,735	22,708	38,265	37,682
Net income	$ 83,947	$ 62,395	$ 163,912	$ 109,942
Earnings per common share — basic	$ 2.38	$ 1.87	$ 4.67	$ 3.30
Earnings per common share — diluted	$ 2.34	$ 1.75	$ 4.58	$ 3.09

(1) Effective July 1, 2023, prior period segment information for the Corporate Finance and FLC segments has been recast in this Quarterly Report on Form 10-Q to include the reclassification of a portion of the Company's health solutions practice in the FLC segment to our realigned business transformation practice within our Corporate Finance segment.

Reconciliation of Net Income to Adjusted EBITDA:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	(in thousands)		(in thousands)	
Net income	$ 83,947	$ 62,395	$ 163,912	$ 109,942
Add back:				
Income tax provision	18,735	22,708	38,265	37,682
Interest income and other	(1,909)	584	(3,490)	1,926
Interest expense	3,319	3,022	5,038	5,961
Depreciation and amortization	10,749	10,104	21,173	19,547
Amortization of intangible assets	1,080	1,417	2,096	3,599
Adjusted EBITDA	$ 115,921	$ 100,230	$ 226,994	$ 178,657

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

Net Income and EPS were equal to Adjusted Net Income and Adjusted EPS, respectively, for the three and six months ended June 30, 2024 and 2023.

Reconciliation of Net Cash Provided by (Used in) Operating Activities to Free Cash Flow:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	(in thousands)		(in thousands)	
Net cash provided by (used in) operating activities	$ 135,226	$ (10,994)	$ (139,592)	$ (265,200)
Purchases of property and equipment	(10,060)	(11,052)	(14,701)	(29,085)
Free Cash Flow	$ 125,166	$ (22,046)	$ (154,293)	$ (294,285)

Three Months Ended June 30, 2024 Compared with Three Months Ended June 30, 2023

Revenues and operating income

See "Segment Results" for an expanded discussion of revenues, gross profit and SG&A expenses.

Unallocated corporate expenses

Unallocated corporate expenses for the three months ended June 30, 2024 increased $3.9 million, or 9.9%, to $42.9 million compared to $39.0 million for the three months ended June 30, 2023. The increase was primarily due to higher compensation expenses and investments related to artificial intelligence ("AI") capabilities, which was partially offset by lower expenses for corporate initiatives.

Interest income and other

Interest income and other, which includes FX gains and losses, increased $2.5 million to $1.9 million for the three months ended June 30, 2024 compared to a $0.6 million loss for the three months ended June 30, 2023. The increase was primarily due to a $0.5 million FX gain for the three months ended June 30, 2024 compared to a $2.4 million FX loss for the three months ended June 30, 2023.

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 for the three months ended June 30, 2024 increased $0.3 million, or 9.8%, to $3.3 million compared to $3.0 million for the three months ended June 30, 2023. The increase was primarily due to higher interest rates on our borrowings, which was partially offset by lower borrowings. Our borrowings in the prior year quarter included amounts owed on our 2.0% convertible senior notes due 2023 ("2023 Convertible Notes"), which matured in August 2023, as well as our borrowings on our senior secured bank revolving credit facility ("Credit Facility").

Income tax provision

Our income tax provision decreased $4.0 million, or 17.5%, to $18.7 million for the three months ended June 30, 2024 compared to $22.7 million for the three months ended June 30, 2023. Our effective tax rate of 18.2% for the three months ended June 30, 2024 compared to 26.7% for the three months ended June 30, 2023. The decrease in the income tax provision was primarily due to a favorable tax benefit related to share-based compensation, as a larger number of non-qualified stock options were exercised compared to the prior year quarter, and a decrease in foreign taxes as compared to the three months ended June 30, 2023.

Six Months Ended June 30, 2024 Compared with Six Months Ended June 30, 2023

Revenues and operating income

See "Segment Results" for an expanded discussion of revenues, gross profit and SG&A expenses.

Unallocated corporate expenses

Unallocated corporate expenses for the six months ended June 30, 2024 increased $8.7 million, or 11.7%, to $82.4 million compared with $73.8 million for the six months ended June 30, 2023. The increase was primarily due to higher compensation expenses, investments related to AI capabilities and an increase legal expenses, which was partially offset by lower expenses for corporate initiatives.

Interest income and other

Interest income and other, which includes FX gains and losses, increased $5.4 million to $3.5 million for the six months ended June 30, 2024 compared with a $1.9 million loss for the six months ended June 30, 2023. The increase was primarily due to a $6.7 million FX loss for the six months ended June 30, 2023 that did not recur during the six months ended June 30, 2024, which was partially offset by a $1.1 million decrease in interest income.

Interest expense

Interest expense for the six months ended June 30, 2024 decreased $0.9 million to $5.0 million compared with $6.0 million for the six months ended June 30, 2023. The decrease was primarily due to lower borrowings, which was partially offset by higher interest rates on our borrowings. Our borrowings in the same period in the prior year included amounts owed on our 2023 Convertible Notes, which matured in August 2023, as well as borrowings on our Credit Facility.

Income tax provision

Our income tax provision increased $0.6 million, or 1.5%, to $38.3 million for the six months ended June 30, 2024 compared to $37.7 million for the six months ended June 30, 2023. Our effective tax rate of 18.9% for the six months ended June 30, 2024 compared to 25.5% for the six months ended June 30, 2023. The increase in the income tax provision was due to an increase in income before income tax provision, which was partially offset by a decrease in the tax rate. The tax rate for the six months ended June 30, 2024 was impacted by a favorable tax benefit related to share-based compensation, as a larger number of non-qualified stock options were exercised as compared to the same period in the prior year, and a decrease in foreign taxes as compared to the six months ended June 30, 2023.

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 three and six months ended June 30, 2024 and 2023:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	(in thousands)		(in thousands)	
Net income	$ 83,947	$ 62,395	$ 163,912	$ 109,942
Add back:				
Income tax provision	18,735	22,708	38,265	37,682
Interest income and other	(1,909)	584	(3,490)	1,926
Interest expense	3,319	3,022	5,038	5,961
Unallocated corporate expenses	42,884	39,026	82,415	73,761
Total segment operating income	146,976	127,735	286,140	229,272
Add back:				
Segment depreciation expense	10,242	9,829	20,153	18,856
Amortization of intangible assets	1,080	1,417	2,096	3,599
Total Adjusted Segment EBITDA	$ 158,298	$ 138,981	$ 308,389	$ 251,727

Other Segment Operating Data

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Number of revenue-generating professionals (at period end):				
Corporate Finance [1]	2,167	2,170	2,167	2,170
FLC [1]	1,457	1,441	1,457	1,441
Economic Consulting	1,076	1,039	1,076	1,039
Technology [2]	662	589	662	589
Strategic Communications	972	992	972	992
Total revenue-generating professionals	6,334	6,231	6,334	6,231
Utilization rates of billable professionals: [3]				
Corporate Finance [1]	60 %	58 %	61 %	59 %
FLC [1]	58 %	58 %	58 %	58 %
Economic Consulting	70 %	69 %	69 %	68 %
Average billable rate per hour: [4]				
Corporate Finance [1]	$ 496	$ 482	$ 505	$ 480
FLC [1]	$ 390	$ 388	$ 398	$ 382
Economic Consulting	$ 599	$ 557	$ 566	$ 520

(1) Effective July 1, 2023, prior period segment information for the Corporate Finance and FLC segments has been recast in this Quarterly Report on Form 10-Q to include the reclassification of a portion of the Company's health solutions practice in the FLC segment to our realigned business transformation practice within our Corporate Finance segment.

(2) 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 899 as-needed employees during the three months ended June 30, 2024 compared with 630 as-needed employees during the three months ended June 30, 2023.

(3) 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.

(4) For engagements where revenues are based on number of hours worked by our billable professionals and fixed-fee arrangements, 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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023 [1]	2024	2023 [1]
	(dollars in thousands, except rate per hour)		(dollars in thousands, except rate per hour)	
Revenues	$ 347,971	$ 317,912	$ 713,981	$ 633,564
Percentage change in revenues from prior year	9.5 %	7.9 %	12.7 %	13.2 %
Operating expenses				
Direct cost of revenues	231,569	222,350	469,759	435,997
Selling, general and administrative expenses	52,495	52,336	107,563	104,453
Amortization of intangible assets	714	1,110	1,547	3,022
	284,778	275,796	578,869	543,472
Segment operating income	63,193	42,116	135,112	90,092
Percentage change in segment operating income from prior year	50.0 %	-22.1 %	50.0 %	-13.8 %
Add back:				
Depreciation and amortization of intangible assets	3,274	3,394	6,580	7,265
Adjusted Segment EBITDA	$ 66,467	$ 45,510	$ 141,692	$ 97,357
Gross profit [2]	$ 116,402	$ 95,562	$ 244,222	$ 197,567
Percentage change in gross profit from prior year	21.8 %	-5.9 %	23.6 %	3.5 %
Gross profit margin [3]	33.5 %	30.1 %	34.2 %	31.2 %
Adjusted Segment EBITDA as a percentage of revenues	19.1 %	14.3 %	19.8 %	15.4 %
Number of revenue-generating professionals (at period end)	2,167	2,170	2,167	2,170
Percentage change in number of revenue-generating professionals from prior year	-0.1 %	14.3 %	-0.1 %	14.3 %
Utilization rate of billable professionals	60 %	58 %	61 %	59 %
Average billable rate per hour	$ 496	$ 482	$ 505	$ 480

(1) Effective July 1, 2023, prior period segment information for the Corporate Finance and FLC segments has been recast in this Quarterly Report on Form 10-Q to include the reclassification of a portion of the Company's health solutions practice in the FLC segment to our realigned business transformation practice within our Corporate Finance segment.
(2) Revenues less direct cost of revenues
(3) Gross profit as a percentage of revenues

Three Months Ended June 30, 2024 Compared with Three Months Ended June 30, 2023

Revenues increased $30.1 million, or 9.5%, to $348.0 million for the three months ended June 30, 2024, primarily due to higher demand and realized bill rates for our business transformation & strategy and transactions services, which was partially offset by lower restructuring revenues.

Gross profit increased $20.8 million, or 21.8%, to $116.4 million for the three months ended June 30, 2024. Gross profit margin increased 3.4 percentage points for the three months ended June 30, 2024. The increase in gross profit margin was primarily due to higher realized bill rates and a 2 percentage point increase in utilization, which was partially offset by lower success fees.

SG&A expenses increased $0.2 million, or 0.3%, to $52.5 million for the three months ended June 30, 2024. SG&A expenses of 15.1% of revenues for the three months ended June 30, 2024 compared with 16.5% of revenues for the three months ended June 30, 2023. The increase in SG&A expenses was primarily due to higher bad debt, compensation, outside services, and other general and administrative expenses, which was partially offset by the reversal of expenses for business acquisition liabilities.

Six Months Ended June 30, 2024 Compared with Six Months Ended June 30, 2023

Revenues increased $80.4 million, or 12.7%, to $714.0 million for the six months ended June 30, 2024, primarily due to higher realized bill rates and demand for our business transformation & strategy and transactions services and higher realized bill rates for our restructuring services.

Gross profit increased $46.7 million, or 23.6%, to $244.2 million for the six months ended June 30, 2024. Gross profit margin increased 3.0 percentage points for the six months ended June 30, 2024. The increase in gross profit margin was primarily due to higher realized bill rates and a 2 percentage point increase in utilization.

SG&A expenses increased $3.1 million, or 3.0%, to $107.6 million for the six months ended June 30, 2024. SG&A expenses of 15.1% of revenues for the six months ended June 30, 2024 compared with 16.5% of revenues for the six months ended June 30, 2023. The increase in SG&A expenses was primarily due to higher compensation, bad debt, business development and other general and administrative expenses, which was partially offset by the reversal of expenses for business acquisition liabilities and lower training and recruiting expenses.

FORENSIC AND LITIGATION CONSULTING

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023 [1]	2024	2023 [1]
	(dollars in thousands, except rate per hour)		(dollars in thousands, except rate per hour)	
Revenues	$ 169,496	$ 164,760	$ 345,570	$ 322,499
Percentage change in revenues from prior year	2.9 %	12.4 %	7.2 %	11.7 %
Operating expenses				
Direct cost of revenues	119,924	109,830	232,318	216,072
Selling, general and administrative expenses	36,205	30,822	67,805	61,847
Amortization of intangible assets	267	223	380	407
	156,396	140,875	300,503	278,326
Segment operating income	13,100	23,885	45,067	44,173
Percentage change in segment operating income from prior year	-45.2 %	101.2 %	2.0 %	63.6 %
Add back:				
Depreciation and amortization of intangible assets	1,894	1,713	3,636	3,209
Adjusted Segment EBITDA	$ 14,994	$ 25,598	$ 48,703	$ 47,382
Gross profit [2]	$ 49,572	$ 54,930	$ 113,252	$ 106,427
Percentage change in gross profit from prior year	-9.8 %	34.1 %	6.4 %	29.4 %
Gross profit margin [3]	29.2 %	33.3 %	32.8 %	33.0 %
Adjusted Segment EBITDA as a percentage of revenues	8.8 %	15.5 %	14.1 %	14.7 %
Number of revenue-generating professionals (at period end)	1,457	1,441	1,457	1,441
Percentage change in number of revenue-generating professionals from prior year	1.1 %	4.4 %	1.1 %	4.4 %
Utilization rate of billable professionals	58 %	58 %	58 %	58 %
Average billable rate per hour	$ 390	$ 388	$ 398	$ 382

(1) Effective July 1, 2023, Corporate Finance and FLC segment information for the prior periods has been recast in this Quarterly Report on Form 10-Q to include the reclassification of a portion of the Company's health solutions practice in the FLC segment to our realigned business transformation practice within our Corporate Finance segment.
(2) Revenues less direct cost of revenues
(3) Gross profit as a percentage of revenues

Three Months Ended June 30, 2024 Compared with Three Months Ended June 30, 2023

Revenues increased $4.7 million, or 2.9%, to $169.5 million for the three months ended June 30, 2024. Acquisition-related revenues contributed $1.9 million, or 1.2% of the increase, compared to the same quarter in the prior year. Excluding the acquisition-related impact, revenues increased $2.8 million, or 1.7%, primarily due to higher realized bill rates for our construction solutions and health solutions services and higher demand for our disputes services, which was partially offset by lower demand for our investigations services.

Gross profit decreased $5.4 million, or 9.8%, to $49.6 million for the three months ended June 30, 2024. Gross profit margin decreased 4.1 percentage points for the three months ended June 30, 2024. The decrease in gross profit margin was primarily due to higher compensation, largely related to a new variable compensation plan for senior professionals implemented during the three months ended June 30, 2024.

SG&A expenses increased $5.4 million, or 17.5%, to $36.2 million for the three months ended June 30, 2024. SG&A expenses of 21.4% of revenues for the three months ended June 30, 2024 compared with 18.7% of revenues for the three months ended June 30, 2023. The increase in SG&A expenses was primarily driven by higher bad debt, travel and entertainment, rent, and other general and administrative expenses.

Six Months Ended June 30, 2024 Compared with Six Months Ended June 30, 2023

Revenues increased $23.1 million, or 7.2%, to $345.6 million for the six months ended June 30, 2024, primarily due to higher demand for our disputes services and higher realized bill rates and demand for our investigations and construction solutions services.

Gross profit increased $6.8 million, or 6.4%, to $113.3 million for the six months ended June 30, 2024. Gross profit margin decreased 0.2 percentage points for the six months ended June 30, 2024. The decrease in gross profit margin was primarily due to higher compensation, largely related to a new variable compensation plan for senior professionals, which was partially offset by cost recovery related to the development of AI capabilities.

SG&A expenses increased $6.0 million, or 9.6%, to $67.8 million for the six months ended June 30, 2024. SG&A expenses of 19.6% of revenues for the six months ended June 30, 2024 compared with 19.2% of revenues for the six months ended June 30, 2023. The increase in SG&A expenses was primarily driven by higher bad debt, travel and entertainment, infrastructure support, and other general and administrative expenses.

ECONOMIC CONSULTING

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	(dollars in thousands, except rate per hour)		(dollars in thousands, except rate per hour)	
Revenues	$ 230,873	$ 201,822	$ 435,421	$ 371,417
Percentage change in revenues from prior year	14.4 %	23.0 %	17.2 %	12.5 %
Operating expenses				
Direct cost of revenues	159,039	142,278	318,479	274,124
Selling, general and administrative expenses	28,882	25,520	61,125	50,569
	187,921	167,798	379,604	324,693
Segment operating income	42,952	34,024	55,817	46,724
Percentage change in segment operating income from prior year	26.2 %	66.5 %	19.5 %	15.7 %
Add back:				
Depreciation and amortization	1,344	1,499	2,629	2,992
Adjusted Segment EBITDA	$ 44,296	$ 35,523	$ 58,446	$ 49,716
Gross profit [1]	$ 71,834	$ 59,544	$ 116,942	$ 97,293
Percentage change in gross profit from prior year	20.6 %	41.7 %	20.2 %	16.5 %
Gross profit margin [2]	31.1 %	29.5 %	26.9 %	26.2 %
Adjusted Segment EBITDA as a percentage of revenues	19.2 %	17.6 %	13.4 %	13.4 %
Number of revenue-generating professionals (at period end)	1,076	1,039	1,076	1,039
Percentage change in number of revenue-generating professionals from prior year	3.6 %	11.1 %	3.6 %	11.1 %
Utilization rate of billable professionals	70 %	69 %	69 %	68 %
Average billable rate per hour	$ 599	$ 557	$ 566	$ 520

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

Three Months Ended June 30, 2024 Compared with Three Months Ended June 30, 2023

Revenues increased $29.1 million, or 14.4%, to $230.9 million for the three months ended June 30, 2024, primarily due to higher demand and realized bill rates for our M&A-related antitrust and financial economics services, which was partially offset by lower demand and realized bill rates for our non-M&A related antitrust services.

Gross profit increased $12.3 million, or 20.6%, to $71.8 million for the three months ended June 30, 2024. Gross profit margin increased 1.6 percentage points for the three months ended June 30, 2024. The increase in gross profit margin was primarily due to higher realized bill rates and lower variable compensation as a percentage of revenues.

SG&A expenses increased $3.4 million, or 13.2%, to $28.9 million for the three months ended June 30, 2024. SG&A expenses of 12.5% of revenues for the three months ended June 30, 2024 compared with 12.6% of revenues for the three months ended June 30, 2023. The increase in SG&A expenses was primarily driven by higher compensation, bad debt, infrastructure support, and other general and administrative expenses.

Six Months Ended June 30, 2024 Compared with Six Months Ended June 30, 2023

Revenues increased $64.0 million, or 17.2%, to $435.4 million for the six months ended June 30, 2024, primarily due to higher demand and realized bill rates for our financial economics, M&A-related antitrust and non-M&A-related antitrust services.

Gross profit increased $19.6 million, or 20.2%, to $116.9 million for the six months ended June 30, 2024. Gross profit margin increased 0.7 percentage points for the six months ended June 30, 2024. The increase in gross profit margin was primarily due to higher realized bill rates and lower variable compensation as a percentage of revenues.

SG&A expenses increased $10.6 million, or 20.9%, to $61.1 million for the six months ended June 30, 2024. SG&A expenses of 14.0% of revenues for the six months ended June 30, 2024 compared with 13.6% of revenues for the six months ended June 30, 2023. The increase in SG&A expenses was primarily driven by higher bad debt, compensation and infrastructure support expenses.

TECHNOLOGY

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	(dollars in thousands)		(dollars in thousands)	
Revenues	$ 115,875	$ 97,444	$ 216,588	$ 188,062
Percentage change in revenues from prior year	18.9 %	25.3 %	15.2 %	18.8 %
Operating expenses				
Direct cost of revenues	72,450	60,550	136,519	114,528
Selling, general and administrative expenses	26,288	20,462	51,993	45,212
	98,738	81,012	188,512	159,740
Segment operating income	17,137	16,432	28,076	28,322
Percentage change in segment operating income from prior year	4.3 %	233.3 %	-0.9 %	86.7 %
Add back:				
Depreciation and amortization	3,793	3,655	7,435	7,131
Adjusted Segment EBITDA	$ 20,930	$ 20,087	$ 35,511	$ 35,453
Gross profit [1]	$ 43,425	$ 36,894	$ 80,069	$ 73,534
Percentage change in gross profit from prior year	17.7 %	52.3 %	8.9 %	36.7 %
Gross profit margin [2]	37.5 %	37.9 %	37.0 %	39.1 %
Adjusted Segment EBITDA as a percentage of revenues	18.1 %	20.6 %	16.4 %	18.9 %
Number of revenue-generating professionals (at period end) [3]	662	589	662	589
Percentage change in number of revenue-generating professionals from prior year	12.4 %	16.2 %	12.4 %	16.2 %

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

Three Months Ended June 30, 2024 Compared with Three Months Ended June 30, 2023

Revenues increased $18.4 million, or 18.9%, to $115.9 million for the three months ended June 30, 2024, primarily due to higher demand for M&A-related "second request" services, which was partially offset by lower demand for investigations services.

Gross profit increased $6.5 million, or 17.7%, to $43.4 million for the three months ended June 30, 2024. Gross profit margin decreased 0.4 percentage points for the three months ended June 30, 2024. The decrease in gross profit margin was primarily due to a lower mix of our higher margin hosting services and decreased profitability of our consulting services, which was partially offset by a higher mix and profitability of our processing and managed review services.

SG&A expenses increased $5.8 million, or 28.5%, to $26.3 million for the three months ended June 30, 2024. SG&A expenses of 22.7% of revenues for the three months ended June 30, 2024 compared with 21.0% of revenues for the three months ended June 30, 2023. The increase in SG&A expenses was primarily due to higher compensation and travel and entertainment expenses.

Six Months Ended June 30, 2024 Compared with Six Months Ended June 30, 2023

Revenues increased $28.5 million, or 15.2%, to $216.6 million for the six months ended June 30, 2024, primarily due to higher demand for M&A-related "second request" services, which was partially offset by lower demand for investigations services.

Gross profit increased $6.5 million, or 8.9%, to $80.1 million for the six months ended June 30, 2024. Gross profit margin decreased by 2.1 percentage points for the six months ended June 30, 2024. The decrease in gross profit margin was primarily due to lower profitability of our consulting services and a lower mix of our higher margin hosting services, which was partially offset by a higher mix of our managed review services.

SG&A expenses increased $6.8 million, or 15.0%, to $52.0 million for the six months ended June 30, 2024. SG&A expenses were 24.0% of revenues for the six months ended June 30, 2024 and 2023. The increase in SG&A expenses was primarily due to higher compensation, infrastructure support and travel and entertainment expenses, which was partially offset by lower bad debt expenses.

STRATEGIC COMMUNICATIONS

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	(dollars in thousands)		(dollars in thousands)	
Revenues	$ 84,941	$ 82,653	$ 166,149	$ 155,755
Percentage change in revenues from prior year	2.8 %	15.0 %	6.7 %	9.9 %
Operating expenses				
Direct cost of revenues	54,767	53,078	106,708	100,882
Selling, general and administrative expenses	19,481	18,213	37,204	34,742
Amortization of intangible assets	99	84	169	170
	74,347	71,375	144,081	135,794
Segment operating income	10,594	11,278	22,068	19,961
Percentage change in segment operating income from prior year	-6.1 %	6.1 %	10.6 %	-21.6 %
Add back:				
Depreciation and amortization of intangible assets	1,017	985	1,969	1,858
Adjusted Segment EBITDA	$ 11,611	$ 12,263	$ 24,037	$ 21,819
Gross profit [1]	$ 30,174	$ 29,575	$ 59,441	$ 54,873
Percentage change in gross profit from prior year	2.0 %	13.3 %	8.3 %	-0.3 %
Gross profit margin [2]	35.5 %	35.8 %	35.8 %	35.2 %
Adjusted Segment EBITDA as a percentage of revenues	13.7 %	14.8 %	14.5 %	14.0 %
Number of revenue-generating professionals (at period end)	972	992	972	992
Percentage change in number of revenue-generating professionals from prior year	-2.0 %	13.1 %	-2.0 %	13.1 %

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

Three Months Ended June 30, 2024 Compared with Three Months Ended June 30, 2023

Revenues increased $2.3 million, or 2.8%, to $84.9 million for the three months ended June 30, 2024. Pass-through revenues contributed $1.7 million, or 2.1% of the increase, compared to the same quarter in the prior year. Excluding the pass-through revenues impact, revenues increased $0.6 million, or 0.7%, primarily due to higher public affairs revenues, which was partially offset by lower corporate reputation revenues.

Gross profit increased $0.6 million, or 2.0%, to $30.2 million for the three months ended June 30, 2024. Gross profit margin decreased 0.3 percentage points for the three months ended June 30, 2024. The decrease in gross profit margin was primarily due to higher compensation expenses as a percentage of revenues excluding revenues related to pass-through expenses.

SG&A expenses increased $1.3 million, or 7.0%, to $19.5 million for the three months ended June 30, 2024. SG&A expenses of 22.9% of revenues for the three months ended June 30, 2024 compared with 22.0% of revenues for the three months ended June 30, 2023. The increase in SG&A expenses was primarily due to higher travel and entertainment, rent, compensation, and other general and administrative expenses.

Six Months Ended June 30, 2024 Compared with Six Months Ended June 30, 2023

Revenues increased $10.4 million, or 6.7%, to $166.1 million for the six months ended June 30, 2024. Pass-through revenues contributed $2.8 million, or 1.8% of the increase, compared to the same period in the prior year. Excluding the pass-through revenues impact, revenues increased $7.6 million, or 5.2%, primarily due to higher public affairs revenues, which was partially offset by lower corporate reputation revenues.

Gross profit increased $4.6 million, or 8.3%, to $59.4 million for the six months ended June 30, 2024. Gross profit margin increased 0.6 percentage points for the six months ended June 30, 2024. The increase in gross profit margin was primarily due to lower compensation expenses as a percentage of revenues.

SG&A expenses increased $2.5 million, or 7.1%, to $37.2 million for the six months ended June 30, 2024. SG&A expenses of 22.4% of revenues for the six months ended June 30, 2024 compared with 22.3% of revenues for the six months ended June 30, 2023. The increase in SG&A expenses was primarily due to higher compensation, travel and entertainment, rent, and other general and administrative expenses.

CRITICAL ACCOUNTING ESTIMATES

Our discussion and analysis of our financial condition and results of operations are based on our condensed 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. Note 1 to the Consolidated Financial Statements included in Part II, Item 8, of our Annual Report on Form 10-K for the year ended December 31, 2023 describes the significant accounting policies and methods used in preparation of the Condensed Consolidated Financial Statements in this Quarterly Report on Form 10-Q. We evaluate our estimates, including those related to revenues, goodwill and intangible assets, income taxes and contingencies, on an ongoing basis. Our estimates are based on current facts and circumstances, historical experience and various other assumptions that we believe are reasonable, which form the basis for making judgments about the values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. The accounting estimates that reflect our more significant judgments, and which we believe are the most critical to aid in fully understanding and evaluating our reported financial results, include the following:

- Revenue Recognition
- Goodwill and Intangible Assets

There were no material changes to our critical accounting estimates from the information provided in "Critical Accounting Estimates" in the Management's Discussion and Analysis of Financial Condition and Results of Operations, in Part II, Item 7, of our Annual Report on Form 10-K for the year ended December 31, 2023, or from the information provided in Part II, Item 8, of our Annual Report on Form 10-K for the year ended December 31, 2023.

SIGNIFICANT NEW ACCOUNTING PRONOUNCEMENTS

See Note 2, "New Accounting Standards" in Part I, Item 1, of this Quarterly Report on Form 10-Q.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity

Our annual cash flows from operations generally exceed our cash needs for capital expenditures and debt service requirements. We typically finance our day-to-day operations, capital expenditures, acquisitions and share repurchases through cash flows from operations. During the first quarter of each fiscal year, our cash needs generally exceed our cash flows from operations due to the payment of annual incentive compensation. We believe that our cash flows from operations, supplemented by borrowings under our Credit Facility, as necessary, will provide adequate cash to fund our cash needs for at least the next 12 months.

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, affects the changes in these balances.

Results of operations for our non-U.S. subsidiaries are translated from the designated functional currency to our reporting currency of 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 loss."

Uncertainties and Trends Affecting Liquidity

Our conclusion that we will be able to fund our cash requirements for at least the next 12 months by using existing capital resources and cash generated from operations does not take into account events beyond our control that could result in a material adverse impact on our business, the impact of any future acquisitions or unexpected significant changes in the 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 events such as economic, political and workforce disruptions arise, including any impact of future public health crises, political situations, or economic or business conditions change from those currently prevailing or from those now anticipated, or if unexpected circumstances or other events beyond our control arise that may have a material adverse effect on the cash flow or profitability of our business, including material negative changes in the health and welfare of our employees or those of our clients, and 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 and could require us to borrow under our Credit Facility or raise additional debt or equity funding to meet those needs. Our ability to borrow or 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 prices of our securities.

Any new debt funding, if available, may be on terms less favorable to us than our Credit Facility. See "Forward-Looking Statements" in Part I, Item 2, of this Quarterly Report on Form 10-Q, and the information contained under the heading "Risk Factors" in Part I, Item 1A, of our Annual Report on Form 10-K for the year ended December 31, 2023.

Cash Flows

	Six Months Ended June 30,	
	2024	2023
Cash Flows	(dollars in thousands)	
Net cash used in operating activities	$ (139,592)	$ (265,200)
Net cash provided by (used in) investing activities	$ 10,546	$ (29,027)
Net cash provided by (used in) financing activities	$ 58,317	$ (8,943)
Effect of exchange rate changes on cash and cash equivalents	$ (6,065)	$ 15,021
DSO [1]	105	111

(1) 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 FX rates. We multiply the result by the number of days in the quarter.

Six Months Ended June 30, 2024 Compared with Six Months Ended June 30, 2023

Net cash used in operating activities of $139.6 million for the six months ended June 30, 2024 compared to $265.2 million for the six months ended June 30, 2023. The decrease of $125.6 million, or 47.4%, in net cash used in operating activities was primarily due to an increase in cash collections resulting from higher revenues, which was partially offset by an increase in salaries largely related to annual salary increases and headcount growth, and higher annual bonus payments, operating expenses, forgivable loan issuances and income tax payments as compared to the same period in the prior year. DSO was 105 and 111 days as of June 30, 2024 and 2023, respectively. The decrease in DSO was primarily due to cash collections that outpaced the increase in revenues.

Net cash provided by investing activities of $10.5 million for the six months ended June 30, 2024 compared to net cash used in investing activities of $29.0 million for the six months ended June 30, 2023. The increase of $39.6 million in net cash provided by investing activities was primarily due to short-term investments of $25.2 million maturing during the six months

ended June 30, 2024, as there were no proceeds from short-term investments during the six months ended June 30, 2023, and a $14.3 million decrease in capital expenditures primarily driven by lower spend on leasehold improvements and cloud computing costs as compared to the same period in the prior year, which was partially offset by an increase in purchases of software licenses.

Net cash provided by financing activities of $58.3 million for the six months ended June 30, 2024 compared to net cash used in financing activities of $8.9 million for the six months ended June 30, 2023. The increase of $67.3 million in net cash provided by financing activities was primarily due to an increase in net borrowings of $35.0 million under our Credit Facility, a decrease of $21.0 million in payments for common stock repurchases under the Repurchase Program and an increase in proceeds on stock option exercises of $9.4 million as compared to the same period in the prior year.

The effect of exchange rate changes on cash and cash equivalents had an unfavorable impact of $6.1 million for the six months ended June 30, 2024 compared to a favorable impact of $15.0 million for the six months ended June 30, 2023.

For the six months ended June 30, 2024, cash paid for income taxes and tax credits, net of tax refunds included $23.5 million of payments for the purchase of tax credits.

Principal Sources of Capital Resources

As of June 30, 2024, our capital resources included $226.4 million of cash and cash equivalents and available borrowing capacity of $840.0 million under the $900.0 million revolving line of credit under our Credit Facility. The $900.0 million revolving line of credit under our Credit Facility includes a $125.0 million sublimit for borrowings in currencies other than USD, including the euro, British pound, Australian dollar, Canadian dollar, Swiss franc and Japanese yen.

The availability of borrowings, as well as issuances and extensions of letters of credit under our Credit Facility, are subject to specified conditions. 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 $1.2 billion. See Note 8, "Debt" in Part I, Item 1, of this Quarterly Report on Form 10-Q for a further discussion of borrowing rates and guarantees under the Credit Facility.

The second amended and restated credit agreement entered into on November 21, 2022 (the "Credit Agreement") governing the Credit Facility and our other indebtedness outstanding from time to time contains 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 Agreement 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 $300.0 million) to Consolidated EBITDA, as defined in the Credit Agreement). As of June 30, 2024, we were in compliance with the covenants contained in the Credit Agreement. See Note 8, "Debt" in Part I, Item 1, of this Quarterly Report on Form 10-Q for a further discussion of the Credit Agreement.

Principal Uses of Capital Resources

Future Capital Requirements

We anticipate that our future capital requirements 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 and information or financial systems, office furniture and leasehold improvements;
- debt service requirements, including interest payments on our long-term debt;
- compensation to designated executive management and senior managing directors under our various long-term incentive compensation programs;
- discretionary funding of the Repurchase Program;
- contingent obligations related to our acquisitions;
- potential acquisitions of businesses; and
- other known future contractual obligations.

Capital Expenditures

During the six months ended June 30, 2024, we spent $14.7 million in capital expenditures to support our organization, including direct support for specific client engagements. For the remainder of 2024, we currently expect additional capital expenditures to support our organization in an aggregate amount of between $25 million and $30 million. 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.

Future Contractual Obligations

Our future contractual obligations as of June 30, 2024 include long-term obligations of $60.0 million related to outstanding borrowings under our Credit Facility. For more information on our Credit Facility, refer to Note 8, "Debt" in Part I, Item 1. Future contractual obligations related to our 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 June 30, 2024 and prior to the November 21, 2027 maturity date of our Credit Facility. Under our operating leases as described in Note 9, "Leases" in Part I, Item 1, we have current obligations of $37.5 million and non-current obligations of $214.5 million.

These amounts reflect future unconditional payments and are 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.

Forward-Looking Statements

This Quarterly Report on Form 10-Q 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, initiatives, projections, prospects, policies, processes and practices, objectives, goals, commitments, 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 U.S. and foreign tax laws, environmental, social and governance ("ESG")-related issues, climate change-related matters, scientific or technological developments, including relating to new and emerging technologies, such as AI and machine learning and other information that is not historical. Forward-looking statements often contain words such as *"estimates," "expects," "anticipates," "projects," "plans," "intends," "believes," "commits," "aspires," "forecasts," "future," "goal," "seeks"* 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, intentions and expectations at the time we make them, and various assumptions. Our actual financial results, performance or achievements and outcomes could differ materially from those expressed in, or implied by, any forward-looking statements. Any references to standards of measurement and performance made regarding our climate change-, ESG- or other sustainability-related plans, goals, commitments, intentions, aspirations, forecasts or projections, or expectations are developing and based on assumptions. There can be no assurance that management's plans, performance, expectations, intentions, aspirations, beliefs, goals, estimates, forecasts and projections, including any that are ESG- or other sustainability-related, will result or be achieved, and 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, intentions, aspirations, beliefs 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, this Quarterly Report on Form 10-Q. Important factors that could cause our actual results to differ materially from the forward-looking statements we make in this Quarterly Report on Form 10-Q include those set forth under the heading "Risk Factors" in Part I, Item 1A, of our Annual Report on Form 10-K for the year ended December 31, 2023, as well as in other information that we file with the SEC from time to time. Important factors that could cause our actual results to differ materially from the forward-looking statements we make in this Quarterly Report on Form 10-Q include, but are not limited to, the following:

- changes in demand for our services;

- our ability to recruit and retain qualified professionals and senior management, including segment, industry and regional leaders;
- conflicts resulting in our inability to represent certain clients;
- our former employees joining or forming competing businesses;
- the enactment of legislation rendering contractual protections against competition by former employees unenforceable;
- our ability to manage our headcount needs and our professionals' utilization and billing rates and maintain or increase the pricing of our services and products;
- our ability to identify suitable acquisition candidates, negotiate favorable terms, take advantage of opportunistic acquisition situations and integrate the operations of acquisitions, as well as the costs of integration;
- our ability to adapt to and manage the risks associated with operating in non-U.S. markets;
- our ability to replace key personnel, including former executives, officers, senior managers and practice and regional leaders who have highly specialized skills and experience;
- our ability to protect the confidentiality of internal and client data and proprietary and confidential information, including from cyberattacks, systems failures or other similar events or outside or internal bad actors, or the use or misuse of social media;
- legislation or judicial rulings, including legislation or rulings regarding data privacy and the discovery process;
- periodic fluctuations in revenues, operating income and cash flows;
- damage to our reputation as a result of claims involving the quality of our services, failures of our internal information technology systems controls or adverse publicity relating to certain clients or engagements;
- fee discounting or renegotiation, lower pricing, less advantageous contract terms and unexpected termination of client engagements;
- competition for clients and key personnel;
- general economic factors, industry trends, restructuring and bankruptcy rates, legal or regulatory requirements, capital market conditions, merger and acquisition activity, major litigation activity, geopolitical disruptions and other events outside of our control;
- our ability to manage growth;
- risk of non-payment of receivables;
- the amount and terms of our outstanding indebtedness;
- risks relating to the obsolescence, replacement, protection, implementation or operation of our information technology systems, including our enterprise resource planning ("ERP") and other financial systems, and software, proprietary software products, intellectual property rights and trade secrets, which could adversely affect our ability to retain or win clients, conduct business, preserve or enhance our reputation, maintain business continuity or report financial results;
- risks relating to the adoption and integration of technological innovations such as AI and machine learning;
- foreign currency disruptions and currency fluctuations between the U.S. dollar and foreign currencies;
- U.S. and foreign tax law changes, including the enactment of tax legislation, proposed from time to time, into law, which could increase our effective tax rate and cash tax expenditures;
- physical risks related to climate change, including rising temperatures, severe storms, energy disruptions and rising sea levels, among others, which could adversely impact our ability to conduct business or maintain business continuity, including by affecting our access to our leased office space in affected geographies and the integrity of our information technology systems;

- our climate change and ESG-related initiatives and goals, including our policies and practices relating to the environment and climate change, sustainability, and diversity and inclusion, if they do not meet or keep pace with current or evolving governmental, investor or other stakeholder expectations and standards or rules and regulations; and
- fluctuations in the mix of our services and the geographic locations in which our clients are located or our services are rendered.

There may be other factors that may cause our actual results to differ materially from our forward-looking statements. All forward-looking statements attributable to us or persons acting on our behalf apply only as of the date of this Quarterly Report on Form 10-Q 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 3. Quantitative and Qualitative Disclosures About Market Risk

For information regarding our exposure to certain market risks, see "Quantitative and Qualitative Disclosures About Market Risk" in Part II, Item 7A, of our Annual Report on Form 10-K for the year ended December 31, 2023. There have been no material changes in our market risk exposure during the period covered by this Quarterly Report on Form 10-Q.

Item 4. 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 Quarterly Report on Form 10-Q, 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.

Changes in Internal Control over Financial Reporting. There have not been any changes in our internal control over financial reporting during the three months ended June 30, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. 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 intellectual property 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 intellectual property and securities litigation, the results are difficult to predict at all. We 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 1A. Risk Factors

There have been no material changes in any risk factors previously disclosed in Part I, Item 1A, of our Annual Report on Form 10-K for the year ended December 31, 2023 filed with the United States Securities and Exchange Commission ("SEC"). We may disclose changes to risk factors or disclose additional factors from time to time in our future filings with the SEC. Additional risks and uncertainties not presently known to us or that we currently deem immaterial also may impair our business operations.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Unregistered sales of equity securities.

None.

Repurchases of our common stock.

The following table provides information with respect to purchases we made of our common stock during the three months ended June 30, 2024:

	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)		
April 1 through April 30, 2024	—	[2]	$ 208.10	—	$ 460,653
May 1 through May 31, 2024	2	[3]	$ 219.88	—	$ 460,653
June 1 through June 30, 2024	13	[4]	$ 216.97	—	$ 460,653
	15			—	

(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, February 21, 2019 and February 20, 2020, our Board of Directors authorized an additional $100.0 million. On each of July 28, 2020 and December 3, 2020, our Board of Directors authorized an additional $200.0 million. On December 1, 2022, our Board of Directors authorized an additional $400.0 million, increasing the Repurchase Program to an aggregate authorization of $1.3 billion. 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. There were no repurchases of shares of our common stock pursuant to the Repurchase Program during the quarter ended June 30, 2024.

(2) Includes 68 shares of common stock withheld to cover payroll tax withholdings related to the lapse of restrictions on restricted stock.

(3) Includes 1,543 shares of common stock withheld to cover payroll tax withholdings related to the lapse of restrictions on restricted stock.

(4) Includes 13,166 shares of common stock withheld to cover payroll tax withholdings related to the lapse of restrictions on restricted stock.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

(c) Trading plans

During the quarter ended June 30, 2024, no director or Section 16 officer of the Company adopted or terminated any Rule 10b5-1 trading arrangements or non-Rule 10b5-1 trading arrangements (in each case, as defined in Item 408(a) of Regulation S-K).

Item 6. Exhibits

Exhibit Number	Description
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 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 Adopted February 20, 2023. (Filed with the Securities and Exchange Commission on February 21, 2023 as an exhibit to FTI Consulting, Inc.'s Current Report on Form 8-K dated February 20, 2023 and incorporated herein by reference.)
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 U.S.C. Section 1350 (Section 906 of the Sarbanes-Oxley Act of 2002.)
32.2†**	Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350 (Section 906 of the Sarbanes-Oxley Act of 2002.)
101	The following financial information from the Quarterly Report on Form 10-Q of FTI Consulting, Inc., included herewith, and formatted in Inline XBRL (eXtensible Business Reporting Language): (i) Condensed Consolidated Balance Sheets as of June 30, 2024 and December 31, 2023; (ii) Condensed Consolidated Statements of Comprehensive Income for the three and six months ended June 30, 2024 and 2023; (iii) Condensed Consolidated Statements of Stockholders' Equity for the three and six months ended June 30, 2024 and 2023; (iv) Condensed Consolidated Statements of Cash Flows for the six months ended June 30, 2024 and 2023; and (v) Notes to the Condensed Consolidated Financial Statements, tagged as blocks of text.
104	The cover page from the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2024, formatted in Inline XBRL (included as Exhibit 101).

† Filed herewith.

** This certification is deemed not filed for purposes of Section 18 of the Exchange Act, or otherwise subject to the liability of that section, nor shall it be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act.

SIGNATURES

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

Date: July 25, 2024

FTI CONSULTING, INC.

By: /s/ Brendan Keating

Brendan Keating
Chief Accounting Officer and Controller
(principal accounting officer)