

FTI CONSULTING INC
Form 10-Q
April 26, 2018

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 March 31, 2018

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 (I.R.S. Employer
Incorporation or Organization) Identification No.)

555 12th Street NW 20004
Washington, D.C. (Address of Principal Executive Offices) (Zip Code)
(202) 312-9100 (Registrant's telephone number, including area code)

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 and posted on its corporate Web Site, if any, every Interactive Data File required to be submitted and posted 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 and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, 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

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Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

Emerging growth company

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

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

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 April 19, 2018
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Common stock, par value \$0.01 per share	37,769,081
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PART I—FINANCIAL INFORMATION

FTI Consulting, Inc. and Subsidiaries
 Condensed Consolidated Balance Sheets
 (in thousands, except per share data)
 Item 1. Financial Statements

	March 31, 2018 (Unaudited)	December 31, 2017
Assets		
Current assets		
Cash and cash equivalents	\$ 152,044	\$ 189,961
Accounts receivable:		
Billed receivables	417,085	390,996
Unbilled receivables	367,516	312,569
Allowance for doubtful accounts and unbilled services	(201,013)	(180,687)
Accounts receivable, net	583,588	522,878
Current portion of notes receivable	29,371	25,691
Prepaid expenses and other current assets	50,775	55,649
Total current assets	815,778	794,179
Property and equipment, net	75,586	75,075
Goodwill	1,208,011	1,204,803
Other intangible assets, net	42,390	44,150
Notes receivable, net	91,215	98,105
Other assets	43,472	40,929
Total assets	\$ 2,276,452	\$ 2,257,241
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable, accrued expenses and other	\$ 105,966	\$ 94,873
Accrued compensation	191,055	268,513
Billings in excess of services provided	46,446	46,942
Total current liabilities	343,467	410,328
Long-term debt, net	441,473	396,284
Deferred income taxes	129,274	124,471
Other liabilities	124,804	134,187
Total liabilities	1,039,018	1,065,270
Commitments and contingent liabilities (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 — 37,720 (2018) and 37,729 (2017)	377	377
Additional paid-in capital	261,765	266,035
Retained earnings	1,085,061	1,045,774
Accumulated other comprehensive loss	(109,769)	(120,215)
Total stockholders' equity	1,237,434	1,191,971
Total liabilities and stockholders' equity	\$ 2,276,452	\$ 2,257,241

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 March 31,	
	2018	2017
Revenues	\$497,774	\$446,344
Operating expenses		
Direct cost of revenues	321,117	309,072
Selling, general and administrative expenses	112,128	107,690
Amortization of other intangible assets	2,270	2,493
	435,515	419,255
Operating income	62,259	27,089
Other income (expense)		
Interest income and other	(1,800)	605
Interest expense	(6,244)	(5,801)
	(8,044)	(5,196)
Income before income tax provision	54,215	21,893
Income tax provision		