Risk Factors Comparison 2024-02-22 to 2023-02-23 Form: 10-K

Legend: **New Text** ~~Removed Text~~ Unchanged Text Moved Text Section

All of the following risks could materially and adversely affect our business, **prospects,** financial condition and results of operations. In addition to the risks discussed below and elsewhere in this Annual Report, other risks and uncertainties not currently known to us or that we currently consider immaterial could, in the future, materially and adversely affect our business **, prospects** , financial condition and financial results. Risks Related to Our Reportable Segments Changes in capital markets, M & A activity, legal or regulatory requirements, general economic conditions and monetary or geopolitical disruptions, as well as other factors beyond our control, could reduce demand for **one** ~~our~~ **or more of our segment or** practice offerings or services, in which case our revenues and profitability could decline. Different **U. S. and / or international** factors outside of our control could affect demand for a segment' s practices and our services. These include: (i) fluctuations in U. S. and / or global economies, including economic downturns or recessions and the strength and rate of any general economic recoveries; (ii) the U. S. or global financial markets and the availability, costs, and terms of credit and credit modifications **, including interest levels and inflationary pressures** ; (iii) level of leverage incurred by countries or businesses; (iv) M & A activity; (v) frequency and complexity of significant commercial litigation; (vi) overexpansion by businesses causing financial difficulties; (vii) business and management crises, including the occurrence of alleged fraudulent or illegal activities and practices; (viii) new and complex laws and regulations, repeals of existing laws and regulations or changes of enforcement of laws, rules and regulations, including antitrust / competition reviews of proposed M & A transactions; (ix) other economic, geographic or political factors **, including wars and other geopolitical conflicts** ; ~~and~~ (x) **widespread public health crises, including epidemics and pandemics and government restrictions or regulations enacted in response thereto, or employees' refusal to adhere to such restrictions; and (xi)** general business **or other** conditions **in the U. S. and other jurisdictions in which we conduct business or our employee population resides** . We are not able to predict the positive or negative effects that future events or changes to the U. S. or global economies will have on our business or the business of any particular segment **or practice** . Fluctuations, changes and disruptions in financial, credit, M & A and other markets, political instability **, significant geopolitical conflicts** and general business factors could impact various segments' operations and could affect such operations differently. Changes to factors described above, as well as other events, including by way of example, contractions of regional economies, or the economy of a particular country, trade restrictions, **sanctions, prohibitions or restrictions, or laws, regulations, or other conditions or limitations, on conducting business in certain geographies or with certain persons or governments or authorities,** monetary systems, banking, real estate and retail or other industries **; government shutdowns; inflation and interest rate fluctuations** ; debt or credit difficulties or defaults by businesses or countries; new, repeals of or changes to laws and regulations, including changes to the bankruptcy and competition laws of the U. S. or other countries; tort reform; banking reform; a decline in the implementation or adoption of new laws or ~~regulation~~ **regulations** , or in government enforcement, litigation or monetary damages or remedies that are sought; **climate change;** or political instability **and wars** may have adverse effects on one or more of our segments or service, practice or industry offerings. Our revenues, operating income and cash flows are likely to fluctuate. We experience fluctuations in our revenues and cost structure and the resulting operating income and cash flows and expect that this will continue to occur in the future. We experience fluctuations in our annual and quarterly financial results, including revenues, operating income and earnings per share, for reasons that include: (i) the types and complexity, number, size, timing and duration of client engagements; (ii) the timing of revenues; (iii) the utilization of revenue- generating professionals, including the ability to adjust staffing levels up or down to accommodate the business and prospects of the applicable segment and practice; (iv) the number of new hires, their compensation and the time it takes before a new hire becomes profitable; (v) the geographic locations of our clients or the locations where services are rendered; (vi) billing rates and fee arrangements, including the opportunity and ability to successfully reach milestones, and complete engagements and collect success fees and other outcome- contingent or performance- based fees; (vii) the length of billing and collection cycles and changes in amounts that may become uncollectible; (viii) changes in the frequency and complexity of government regulatory and enforcement activities; (ix) business and asset acquisitions; (x) fluctuations in the exchange rates of various currencies against the U. S. dollar; (xi) wage and cost increases; and (xii) other economic factors beyond our control. The results of different segments and practices may be affected differently by the above factors. Certain of our practices, particularly our restructuring practice, tend to experience their highest demand during periods when market and / or industry conditions are less favorable for many businesses. For example, in periods of limited credit availability, reduced M & A activity and / or declining business and / or consumer spending, while not always the case, there may be increased restructuring opportunities that will cause our restructuring practice to experience high demand **as was the case for our Corporate Finance segment in 2023** . On the other hand, those same factors may cause ~~a number~~ **one or more** of our other segments and practices, such as our antitrust & competition practice in Economic Consulting, to experience reduced demand. The positive effects of certain events or factors on certain segments and practices may not be sufficient to overcome the negative effects of those same **or other** events or factors on other parts of our business. In addition, our mix of practice offerings adds complexity to the task of predicting revenues and results of operations and managing our staffing levels and expenditures across changing business cycles and economic environments. Our results are subject to seasonal and similar factors, such as during the fourth quarter when our professionals and our clients typically take vacations. We may also experience fluctuations in our operating income and related cash flows because of increases in employee compensation, including changes to our incentive compensation structure and the timing of incentive payments, which we generally pay during the first quarter of each year, or hiring or retention payments, which are paid throughout the year. Also, the timing of investments or acquisitions and the cost of integrating them may cause fluctuations in our financial results, including operating income and cash flows. This volatility makes it difficult to forecast our future results with precision and to assess accurately whether increases or decreases in any one or more quarters are likely to cause annual results to exceed or fall short of previously issued guidance. While we assess our annual guidance at the end of each quarter and update such guidance when we think it is appropriate, unanticipated future volatility can cause actual results to vary significantly from our guidance, even where that guidance reflects a range of possible results and has been updated to take account of partial- year results. If we do not effectively manage the utilization of our professionals or billable rates, our financial results could decline. Our failure to manage the utilization of our professionals who bill on an hourly basis, or maintain or increase the hourly rates we charge our clients for our services, could result in adverse consequences, such as non- or lower- revenue- generating professionals, increased employee turnover, fixed compensation expenses in periods of declining revenues, the inability to appropriately staff engagements **with employees and / or independent consultants** (including adding or reducing staff during periods of increased or decreased demand for our services **, or redeploying staff to other practices or engagements**), or special charges associated with reductions in staff or operations. Reductions in workforce or increases of billable rates will not necessarily lead to savings. In such events, our financial results may decline or be adversely impacted. A number of factors affect the utilization of our ~~professionals.~~ **workforce,** ~~Some~~ **some** of **which** ~~these factors~~ we cannot predict with certainty, including general economic and financial market conditions; the complexity, number, type, size and timing of client engagements; the level of demand for our services; appropriate ~~professional~~ staffing levels, in light of changing client demands ~~and~~ **, expectations or** market conditions; **redeployment or** utilization of ~~professionals~~ **staff** across segments and geographic regions; competition; ~~and~~ acquisitions **; or the utilization of temporary independent consultants who may be compensated on a different or higher basis than certain employees, provide services under fixed- term and / or fixed- fee contracts that are not amenable to extension or early termination, or are not as disposed to redeployment to other client engagements, segments or practices** . In addition, our global expansion into or within locations where we are not well- known or where demand for our services is not well- developed could also contribute to low or lower utilization rates in certain locations. **Certain practices within our** ~~Segments~~ **segments** may enter into engagements such as fixed- fee and time and materials with caps. Failure to effectively manage ~~professional hours~~ **staff utilization** and other aspects of alternative fee engagements may result in the costs of providing such services exceeding the fees collected by the Company. Failure to successfully complete or reach milestones with respect to contingent fee or success fee assignments may also lead to lower revenues or the costs of providing services under those types of arrangements may exceed the fees collected by the Company. Factors that could negatively affect utilization in our segments include: Corporate Finance — The completion of bankruptcy proceedings; the timing of the completion of other engagements; fewer and smaller restructuring (including bankruptcy) cases; a recovering or strong economy; easy credit availability; ~~low~~ **lower** interest rates; fewer, smaller and less complex M & A and restructuring activity; and less capital markets activity or fewer complex transactions. FLC — The settlement of litigation; less frequent instances of significant mismanagement, fraud, wrongdoing or other business problems that could result in fewer or less complex business engagements; fewer and less complex legal disputes; fewer class action suits; the timing of the completion of engagements; less government regulation or fewer regulatory investigations; and the timing of government investigations and litigation. Economic Consulting — Fewer, smaller and less complex M & A activity; less capital markets activity or fewer complex transactions; a reduced number of regulatory filings and less litigation, reduced or less aggressive antitrust and competition regulation or enforcement; fewer government investigations and proceedings; and the timing of client utilization of our services. Technology — The settlement of litigation; a decline in volume and complexity of litigation proceedings and governmental investigations; a decline in volume and the timing of M & A activities and reduced or less aggressive enforcement of antitrust and competition regulations **; the more rapid and successful integration of new and emerging technologies in client offerings, such as AI or machine learning, by competitors, or the availability and engagement of independent consultants, which this segment, more than our other segments, relies on for staffing e- discovery and certain other types of client engagements** . Strategic Communications — Fewer event- driven crises affecting businesses; general economic decline that may reduce certain discretionary spending by clients; a decline in capital markets activity, including M & A; and fewer public securities offerings. Our segments may face risks of fee non- payment, clients may seek to renegotiate existing fees and contract arrangements, and ~~clients~~ may not accept billable rate or price increases, which could result in loss of ~~clients~~ **engagements** , fee write- offs, reduced revenues and less profitable business. In some cases, our segments are engaged by certain clients who are ~~experiencing~~ or anticipate experiencing financial distress or are facing complex challenges, are ~~engaged~~ **engaging** in litigation or regulatory or judicial proceedings, or are facing foreclosure of collateral or liquidation of assets. This may be **due to** ~~true in light of~~ general economic conditions; lingering effects of past economic slowdowns or recession; or business- or operations- specific reasons. Such clients may not have sufficient funds to continue operations or to pay for our services. We typically do not receive retainers before we begin performing services on a client' s behalf in connection with a significant number of engagements in our segments. In the cases where we have received retainers, we cannot assure the retainers will adequately cover our fees for the services we perform on behalf of these clients. With respect to bankruptcy cases, bankruptcy courts have the discretion to require us to return all, or a portion of, our fees. We may receive requests to discount our fees or to negotiate lower rates for our services and to agree to contract terms relative to the scope of services and other terms that may limit the size of an engagement or our ability to pass- through costs. We consider these requests on a case- by- case basis. We routinely receive these types of requests and expect this to continue in the future. In addition, our clients and prospective clients may not accept rate increases that we put into effect or plan to implement in the future. Fee discounts, pressure not to increase or pressure to decrease our rates, and less advantageous contract terms could result in the loss of clients, lower revenues and operating income, higher costs and less profitable engagements. More discounts or write- offs than we expect in any period would have a negative impact on our results of operations. There is no assurance that significant client engagements will be renewed or replaced in a timely manner or at all, or that they will generate the same volume of work or revenues or be as profitable as past engagements. Certain ~~of our~~ clients prefer fixed and other alternative fee arrangements that place revenue ceilings or other limitations on our fee structure or may shift more of our revenue- generating potential to back- end contingent and success fee arrangements. With respect to such alternative fee arrangements, we may discount our rates initially, which could mean that the cost of providing services exceeds the fees collected by the Company during all or a portion of the term of the engagement. In such cases, the Company' s failure to manage the engagement efficiently or collect the success or performance fees could expose the Company to a greater risk of loss on such engagement than other fee arrangements or may cause variations in the Company' s revenues and operating results due to the timing of achievement of the performance- based criteria, if achieved at all. A segment' s ability to service clients with these fee arrangements at a cost that does not directly correlate to time and materials may negatively impact or result in a loss of the profitability of such engagements, adversely affecting the financial results of the segment. Our **segments and practices could suffer competitive, reputational and business harm or increased liability arising from the rapid introduction, deployment, evolution and use of new technologies, including Artificial Intelligence (" AI ") and machine learning. Our services are extremely complicated and differ materially among our segment and practice offerings. As a result, the benefits and risks of adopting and implementing new and emerging technologies, such as AI and machine learning in their many forms, necessitates, in most cases, our review and analysis of such technology and its risks and benefits on a service- by- service basis. The need for complex analysis could result in significant delays adopting AI and other technologies, which could adversely impact our competitive position; ability to market services; win new engagements; provide state of the art services to clients; and attract, hire and retain members of our workforce, as compared to early adopters of such technologies. Furthermore, we may not be successful in our AI or other technology- related initiatives. The adoption of technologies, such as AI and machine learning, may require the investment of significant capital, time and resources. Such investment could require the engagement of third- parties or independent contractors and may interfere with the other duties of our management and employees. In addition, the adoption and deployment of AI, machine learning and other new and emerging technologies by competitors more rapidly or successfully than we do could materially adversely affect our competitive position and financial results. New technologies, such as AI and machine learning, continue to evolve and as a result risks continue to be unknown or uncertain. There is no assurance that (i) we can successfully develop and deploy AI or other technologies in our business, (ii) such technologies will improve and enhance our services, operations or profitability, (iii) clients will accept the incorporation of such technology in our services, (iv) we can successfully market the use of these technologies to prospective clients, (vi) we can hire and retain staff with the required specialized knowledge and skills to utilize these technologies, (vi) new cybersecurity and other threats and incidents will not arise, (vii) we can identify, mitigate or recover from cybersecurity or other adverse events that occur, (viii) we can protect and maintain the privacy of our employees and confidential and proprietary information, (ix) governmental regulation will be adopted and what such requirements will be, (x) material additional monetary and time expenditures will not be required, (xi) we can pass on costs of such technologies to clients, (xii) we can integrate other technologies we use with AI, or (xiii) AI and machine learning and other new technologies will not result in significant legal and other liabilities, challenges, regulatory or operational issues, and ethical or other dilemmas. The above risks and potential effects could result in material adverse consequences to our operations, reputation, client relationships, ability to market our services, and financial results. In addition, AI and other technologies that are open source and available for no or low cost could result in low barriers to development and utilization, and additional competition from third parties. Our** Technology segment faces certain risks, including (i) industry consolidation and a highly competitive environment, (ii) downward pricing pressure, (iii) data breach, (iv) technology changes and obsolescence **, including AI and machine learning** , and (v) failure to protect intellectual property (" IP ") used by the segment, which individually or together could cause the financial results and prospects of this segment and the Company to decline. Our Technology segment faces significant competition from other consulting and / or software providers specializing in e- discovery and the management of electronic content. There **has been considerable new development and evolution of technologies such as AI and machine learning, used to perform certain services. Rapid adoption and deployment by other companies in our industry could adversely affect our ability to offer and provide competitive services. Competitors may introduce new offerings and technologies that operate more quickly, provide better outcomes or are alternatives to our service offerings. If our competitors are more successful employing new technologies, such as AI and machine learning, our financial performance and operations, competitive position and reputation may be negatively impacted. There** continues to be consolidation of companies providing products and services similar to those offered by our Technology segment, which may provide competitors access to greater financial and other resources than those of the Company. Larger competitors may be able to react more quickly to new regulatory or legal requirements and provide similar services at lower prices, particularly with respect to hosting and e- discovery services. The success of our Technology segment and its ability to compete depends significantly on our ability to safeguard client data. There is no assurance that we will not incur losses related to cyber incidents or malicious data breach from external or internal sources in the future. Our Technology segment also relies on the IP rights we license from third ~~-~~ parties. There is no assurance that (i) the software we license to provide our services will remain competitive or technologically innovative, (ii) new, innovative or improved software or products will not be developed by others that will compete more effectively with the software or products we currently license or use to service our customers, or (iii) we can enter into licenses or other agreements on economically advantageous terms to **utilize** ~~license or enter into other agreements to use~~ new or more innovative third- party software and products to provide our services. If our Technology segment is unable to license or otherwise use competitively innovative or technologically advanced software and products to provide our services, we could be unable to retain clients, grow our business and capitalize on market opportunities, which would adversely affect our operating margins and financial results ~~. Unauthorized use and misuse of IP by employees or third parties could have a material adverse effect on our business~~ , ~~financial condition~~ **competitive position** and **reputation** ~~results of operations. The available legal remedies for unauthorized use or misuse of IP may not adequately compensate us for the damages caused by such unauthorized use or misuse and consequences arising from such actions~~ . We face certain risks relating to cybersecurity ~~,~~ **and** the failure to protect the confidentiality of **our or our** client **' s** information against misuse or disclosure ~~, and the use or misuse of social media~~ . ~~Our reputation for maintaining~~ **Maintaining** the confidentiality of proprietary, confidential and trade secret information is critical to **maintaining the trust of our clients,** the success of our segments **and the reputation of our company** . In addition, our Technology segment is dependent on providing secure storage of, and access to, client information as a service. **Our systems, which include those of third parties on whom we rely, may fail or not operate properly or become disabled as a result of network security failures.** We **are subject to and** routinely face cyber- based attacks and attempts by hackers and similar unauthorized users to gain access to or corrupt our information technology systems ~~, which so far, to our knowledge, have been unsuccessful~~ . Such attacks, if successful, could harm our overall professional reputation, disrupt our business operations, cause us to incur unanticipated losses or expenses, and result in unauthorized disclosures of confidential or proprietary information. We expect to continue to face such attempts. Although we seek to prevent, detect and investigate these network security incidents and have taken steps to mitigate the likelihood of network security breaches, there can be no assurance that attacks by unauthorized users will not be attempted in the future or that our security measures will be effective. If we fail to effectively protect the confidentiality of our clients' or our own IP and proprietary information from disclosure or misuse by our employees, contractors or third parties, the financial results of the affected segment or the Company **and our reputation** would be adversely affected. There is no certainty that we **or third parties on whom we rely,** can maintain the confidentiality ~~or~~ **,** prevent the misuse of our **own** or our clients' information ~~. The use~~ or ~~misuse~~ **mitigate related damages. As** of ~~social media by employees or others could reflect negatively on~~ **December 31, 2023, we are not aware of any risks from cybersecurity threats, including as a result of any previous cybersecurity incidents, that have materially affected** us **, including** ~~or our clients and could have a material adverse effect on~~ our business **strategy** , **results of operations or** financial condition **,** ~~and results of operations. The available legal remedies for~~ **or that we believe are reasonably likely to have** ~~the use or misuse of social media may not adequately compensate us for the damages caused by~~ such ~~use or misuse and~~ **an** ~~consequences arising from such actions~~ **effect over the long term** . We may not manage our growth effectively, and our profitability may suffer. We experience fluctuations in growth of our different segments, practices and services, including periods of rapid or declining growth. Periods of rapid expansion may strain our management team or human resources and information systems. To manage growth successfully, we may need to add qualified managers and employees and periodically update our operating, financial and other systems, as well as our internal procedures and controls. We also must effectively motivate, train and manage a larger professional staff. If we fail to add or retain qualified managers, employees and contractors when needed, estimate costs, or otherwise manage our growth effectively, our business, financial results and financial condition may suffer. We cannot assure that we can successfully manage growth through acquisitions and the integration of the companies and assets we acquire or that they will result in the financial, operational and other benefits that we anticipate. Some acquisitions may not be immediately accretive to earnings, and some expansion may result in significant expenditures. In periods of declining growth, underutilized employees and contractors may result in expenses and costs being a greater percentage of revenues. In such situations, we will have to weigh the benefits of decreasing our workforce or limiting our service offerings and saving costs against the detriment that the Company could experience from losing valued professionals and their industry expertise and clients. Risks Related to Our Operations Our operations involve financial and business risks that differ among the **U. S. and foreign** jurisdictions ~~in which we operate~~ . Our operations involve financial and business risks that differ among the **U. S. and the different foreign** jurisdictions in which we operate including: (i) cultural and language differences; (ii) various levels of FTI Consulting " brand " recognition; (iii) different employment laws and rules, employment or service contracts, compensation methods, and social and cultural factors that could result in employee turnover, lower utilization rates, higher costs and cyclical fluctuations in utilization that could adversely affect financial and operating results; (iv) foreign currency disruptions and currency fluctuations between the U. S. dollar and foreign currencies that could adversely affect financial and operating results; (v) differing legal and regulatory requirements and other barriers to conducting business; (vi) difficulties resolving the collection of receivables when legal proceedings are necessary; (vii) difficulties in managing our non- U. S. operations, including client relationships, in certain locations; (viii) disparate systems, policies, procedures and processes; (ix) failure to comply with the FCPA and anti- bribery laws of other jurisdictions; (x) higher operating costs; (xi) longer sales and / or collections cycles; (xii) potential restrictions or adverse tax consequences resulting from the repatriation of foreign earnings, such as trapped foreign losses and importation or withholding taxes; (xiii) different or less stable political and / or economic environments; (xiv) **wars and other geopolitical conflicts; (xv)** conflicts between and among the U. S. and countries in which we conduct business, including those arising from trade disputes or disruptions, the termination or suspension of treaties, or boycotts; (~~xv~~ **xvi**) civil disturbances or other catastrophic events that reduce business activity; (~~xvi~~ **xvii**) political interference with our ability to conduct business in the applicable jurisdiction; (~~xvii~~ **xviii**) impact of ~~Coronavirus Disease 2019 (" COVID- 19 ") or other~~ public health crises, including varying governmental responses and requirements, client impacts and travel restrictions; (~~xviii~~ **xix**) failure to achieve or maintain a diverse workforce or otherwise meet evolving governmental or client- related standards and requirements pertaining to ESG- related issues; and (~~xix~~ - **xx**) physical risks associated with climate change, including rising temperatures, severe storms, energy disruptions, **flooding** and rising sea levels, among others. If we are not able to quickly adapt to or effectively manage our operations in **the** geographic markets **in which we conduct business** ~~outside the U. S.~~ , our business prospects and results of operations could be negatively impacted. Failure to comply with governmental, regulatory and legal requirements or with our company- wide Code of Ethics and Business Conduct, Anti- Corruption Policy, Policy on Inside Information and Insider Trading, and other policies could lead to governmental or legal proceedings that could expose us to significant liabilities and damage our reputation. We have a robust Code of Ethics and Business Conduct, Anti- Corruption Policy, Policy on Inside Information and Insider Trading, and other policies and procedures that are designed to educate and establish the standards of conduct that we expect from our executive officers, outside directors, employees, and independent consultants and contractors. These policies require strict compliance with U. S. and local laws and regulations applicable to our business operations, including those laws and regulations prohibiting improper payments to government officials. In addition, as a corporation whose securities are registered under the Securities Act and publicly traded on the NYSE, our executive officers, outside directors, employees and independent contractors are required to comply with the prohibitions against insider trading of our securities. In addition, we impose certain restrictions on the trading of securities of our clients. Nonetheless, we cannot assure our stakeholders that our policies, procedures and related training programs will ensure full compliance with all applicable legal requirements. Illegal or improper conduct by our executive officers, directors, employees, independent consultants or contractors, or others who are subject to our policies and procedures could damage our reputation in the U. S. and internationally, which could adversely affect our existing client relationships or adversely affect our ability to attract and retain new clients, or lead to litigation or governmental or regulatory proceedings in the U. S. or foreign jurisdictions, which could result in civil or criminal penalties, including substantial monetary awards, fines and penalties, as well as disgorgement of profits. We are also exposed to new and changing regulations related to climate change, both in the U. S. and internationally. The fast pace of changes to regulation in this area can pose compliance challenges, and we may face risks similar to those described above. The compromise of confidential or proprietary information......, financial results or financial condition. Governmental focus on data privacy and security has increased, and could continue to increase, our costs of operations. In reaction to publicized incidents in which electronically stored personal and other information has been lost, accessed or stolen, or transmitted by or to third parties without permission, U. S. and non- U. S. governmental authorities have proposed or adopted or are considering proposing or adopting data security and / or data privacy statutes or regulations, including the California Consumer Privacy Act **as amended by the California Privacy Rights Act of 2020,** and the General Data Protection Regulation of the European Union. Continued governmental focus and regulation of data security and privacy may lead to additional legislative and regulatory actions, which could increase the complexity of doing business in the U. S. or the applicable jurisdiction. The increased emphasis on information security and the requirements to comply with applicable U. S. and foreign data security and privacy laws and regulations has increased, and is expected to continue to increase, our related costs of doing business and could negatively impact our financial results. Changes to corporate income tax rates, ~~tax~~ legislation, ~~tax~~ rules and regulations and tax treaties in **countries** ~~the jurisdictions~~ in which we **operate** ~~conduct business~~ may ~~substantially~~ negatively impact our effective tax rate and financial results ~~of operations~~ and increase our cash tax payment obligations. Changes to corporate income tax laws and rules and regulations and tax treaties in jurisdictions where we pay taxes that increase rates, eliminate or reduce deductions or affect the utility or value of deferred tax assets or liabilities could negatively affect our reported financial results and increase our cash tax payment obligations. On October 8, 2021, the Organization for Economic Co- operation and Development (" OECD ") announced the OECD / G20 Inclusive Framework on Base Erosion and Profit Shifting ~~(" Framework ")~~ which agreed to a two- pillar solution to address the tax challenges arising from the digitalization of the economy. On December 20, 2021, the OECD released ~~Pillar Two~~ **the Global Anti- Base Erosion (" GLoBE ")** Model Rules introducing a global minimum corporate tax rate of 15 % to apply to certain multinational enterprises. The OECD continues to release additional guidance on these rules. ~~In 2022,~~ **Many countries have or are in** the **process of enacting** ~~U. K. government and the European Union issued draft~~ legislation **intended** to implement ~~these~~ -- **the OECD GLoBE Model** ~~rules~~ **Rules** ~~and confirmed that~~ **effective starting on January 1, 2024. The impact on** the ~~final~~ **Company will depend on the exact nature of each country' s GLoBE** legislation ~~will be effective for accounting periods beginning on or after December 31~~ , **guidance** ~~2023. These changes, if~~ and ~~when enacted~~ **regulations thereon and their application** by ~~various countries in which we do business, may increase our taxes~~ -- **tax authorities** ~~in such countries~~ . We are exposed to certain physical and regulatory risks related to climate change, which could adversely affect our business, financial condition and results of operations. Due to the global nature of our business, we are exposed to a variety of physical risks related to climate change, including ~~rising~~ **extreme** temperatures, severe storms, energy disruptions **, floods** and rising sea levels, among others **, all of which are beyond our control** . ~~These~~ **There is increased regulation as well as focus from governmental organizations, and our investors, clients and employees, on environmental- and sustainability- related issues. Governments and regulators around the world are increasingly enacting laws and regulations regarding climate change. In October 2023, California enacted legislation addressing the disclosure of greenhouse gas emissions, climate- related** risks **, environmental claims, and the use or sale of voluntary carbon offsets. The SEC has proposed a mandatory climate change reporting framework that, if implemented, is likely to materially increase the amount of time, monitoring, diligence and reporting costs related to these matters. International efforts continue toward the adoption of international treaties or protocols that would address global climate change issues, including plans developed in connection with the Paris climate conference in December 2015, the Katowice climate conference in December 2018 and the UN Climate Change Conferences since 2021. In January 2023, the EU enacted the Corporate Sustainability Reporting Directive, which will require sustainability reporting across a broad range of topics for both EU and non- EU companies. Numerous countries have also begun proposing climate- reporting frameworks aligned with the International Sustainability Standards Board standards. The threats from environmental events** could **adversely** impact our ability to maintain business continuity, **and could impair** ~~including by affecting our~~ access to our leased office space in affected geographies and the integrity of our information technology systems. **Further** ~~In addition~~ , **compliance with the disparate climate- related frameworks, including requirements** ~~existing or future legislation and regulations applicable to our business and operations~~ related to greenhouse gas emissions and climate change by federal, state, local and foreign legislatures and governmental agencies could cause us to incur ~~additional compliance and~~ operational **and other** costs ~~or actions~~ **to comply, and penalties** if we fail to ~~comply~~ **do so** .

Increasing scrutiny and changing expectations from governmental organizations, investors, clients and our colleagues with respect to our ~~ESG~~ **social** - related practices and those of our clients may impose additional costs on us or expose us to new or additional risks ~~. There is increased regulation and focus~~ , including **reputational harm. Differing (** ~~under the European Union' s Corporate Sustainability Reporting Directive~~ and ~~from~~ **often conflicting) perceptions, attitudes or legal pronouncements regarding the consideration of social- related characteristics based on race, gender, sexual orientation and** other ~~governmental organizations,~~ **attributes are complicating our ability to attract and maintain** ~~and~~ - **an** ~~our investors, clients and employees, on ESG issues such as environmental stewardship, climate change, diversity and inclusion~~ **inclusive workforce** ~~, racial justice and workplace culture conduct. We have expended, and expect to continue to expend, resources to evaluate~~ and comply with ~~existing, new~~ **disparate U. S. federal** and **state** ~~proposed governmental requirements,~~ and **foreign legislative** ~~to monitor, report~~ and ~~adopt policies~~ **court decisions. Some U. S. states, recent U. S. court decisions** and ~~practices that~~ **third- party activists are restricting or otherwise attempting to influence how** we ~~believe will improve alignment~~ **make and manage recruiting, hiring and other employment decisions. This contrasts** with **regulations being adopted by certain foreign jurisdictions in which we operate, the demands of many of** our **investors** ~~evolving ESG goals~~ and ~~plans~~ **other stakeholders** , as well as ~~client, investor and other~~ third- party **proxy** ~~imposed ESG- related standards~~ and ~~expectations. If our ESG practices, including our goals for sustainability and diversity and inclusion, do not meet evolving rules and regulations or investor or~~ other **advisory firms who** ~~stakeholder expectations and standards (or if we are viewed in a negative light based on positions we do or do not take or work we do or do not perform for certain clients or industries), then our reputation, our ability to attract or retain leading experts, employees and other professionals, and our ability to attract new engagements and clients could be negatively impacted, as could our attractiveness as an investment, service provider, business partner or acquirer. Similarly, our failure or perceived failure to pursue or fulfill our current or future goals, targets and objectives or to satisfy various reporting standards within the timelines we announce, or at all, could also have similar negative impacts. In addition, organizations that~~ provide information to investors on corporate governance and related matters **, who encourage or demand heightened consideration of diversity- related factors, including the reporting of characteristics of our employee populations, as well as reporting of our recruitment, hiring and other employment processes. Consequently, our employment processes, human capital management, risk management and reporting functions** have ~~developed ratings processes~~ **become more complicated. Any failure to comply with U. S. federal and state, and international laws and regulations** ~~for~~ - **or court decisions** ~~evaluating companies on their approach to ESG matters~~ , ~~and unfavorable ratings of our~~ - **or** ~~Company may lead~~ to ~~negative~~ **meet the evolving expectations of our** ~~investor~~ **investors** ~~sentiment~~ **and other stakeholders and interested parties** , **could result in legal or regulatory proceedings against us, increased adverse public scrutiny, client dissatisfaction, reputational harm, employee disenfranchisement, increased employee turnover and other challenges in retaining, recruiting and hiring employees, which may give rise to damages or penalties, and materially adversely affect our business, financial results and** stock **performance** ~~price fluctuations and the diversion of investment to other companies~~ . Our business depends on our ability to use and access information systems, and modernize or replace such systems from time to time, and failure to effectively maintain such systems or modernize or replace systems could materially adversely affect our business and operations and harm our reputation. We depend on multiple information systems, including our enterprise resource planning (" ERP ") system, for operating our business and internal controls. We utilize commercially available third- party technology solutions, which in many cases are customized to our business needs. Our information systems may be compromised by power outages, computer and telecommunications failures, computer viruses, security breaches, hackers, catastrophic events, human error and other events, many of which are beyond our control, and are subject to obsolescence and technological changes. We **continue** ~~are currently replacing our ERP system~~ to **implement and** improve the **utilization** ~~efficiency and effectiveness~~ of ~~our financial and business transaction process, as well as the underlying systems environment. Delays finalizing and implementing~~ our new ERP system ~~or if any of our information systems, including~~ **that went into effect in April 2023. Delays in fully finalizing and implementing** our new ERP system ~~, fail~~ **or any of our other information systems or failure of such system** to work properly or ~~otherwise~~ **if any of them should** become unavailable, could ~~cause~~ **require** us to expend substantial time, effort and costs to **adjust our processes, implement changes or corrections, or** repair or replace such systems, **to** ~~or otherwise~~ carry out our operations, including preparation of our financial statements and **to** ~~maintaining~~ --- **maintain the** effectiveness of our internal controls ~~, without the ability to use such systems~~ . Failure **, delays or compromise** of any such information system **or material functions** , could ~~also result in~~ harm ~~to~~ our reputation or our clients, **and** ~~as well as~~ expose us to ~~regulatory actions and~~ claims that could adversely affect our business and results ~~of operations~~ . **The compromise of confidential or proprietary information** ~~Public health crises, such as COVID- 19,~~ could ~~have a negative~~ **damage our reputation, harm our businesses and adversely** impact ~~on~~ our financial results **. The Company' s own confidential** and **proprietary information and that of our clients or vendors** could **be compromised, whether** ~~potentially~~ **intentionally** ~~proprietary information could damage our reputation,harm our businesses and adversely impact our financial results.The Company' s own confidential and proprietary information and that of our clients could be compromised,whether intentionally~~ or unintentionally,by our employees,consultants **,contractors** or vendors. **In addition,** ~~Physical~~ **physical** risks associated with climate change,including energy disruptions, **flooding and other events,** may ~~also~~ **adversely** impact the integrity of our information technology systems. ~~A~~ **Any significant** compromise of the security of our information technology systems leading to theft or misuse of our own or our clients' proprietary or confidential information,or the public disclosure or use of such information by others,could result in losses, **damages or penalties,** third- party claims **,** ~~against us and~~ reputational harm **and** ~~,including~~ the loss of clients **and other adverse business consequences,which could negatively impact our financial results or financial condition** . ~~The~~ **Furthermore,** ~~theft~~ -- **the use** or ~~compromise~~ **misuse** of **social media by employees** ~~our~~ - **or others could reflect negatively on us** or our clients **and** ~~' information~~ could ~~negatively impact~~ have a material adverse ~~impact~~ **effect** on our business, financial condition and results of operations ~~,~~ **. The available**

legal remedies for the ~~extent~~ **use or misuse** of ~~which is~~ **social media may** not **adequately compensate us** ~~predictable. COVID-19 has created volatility, uncertainty and economic disruption~~ for ~~FTI Consulting, our segments and practices, our clients and vendors, and~~ the **damages caused by** ~~markets in which we do business, in different ways and to varying degrees. Government and client actions and related events around the world have impacted, and we expect will continue to impact, how we do business and the services that we provide, and~~ such **use** ~~impacts may continue for~~ - **or misuse** ~~a sustained period. The impact of COVID- 19 or any other public health crisis depends on many factors that are out of our control. Those factors include, among other things: (i) long- term effects of COVID- 19, including the impact of future outbreaks or variants, or the emergence~~ and **consequences** ~~impact of any other public health crisis and the types and magnitude of adverse impacts on regional economies, individually and the global economy as a whole; (ii) the health and welfare of our employees and contractors and those of our clients and vendors; (iii) business and government actions in response to any public health crisis, including government economic relief or incentives for businesses, moratoriums or postponements of litigation or certain types of actions or proceedings, delays by governments and regulators on rulemaking, stay- at- home and social distancing measures, and travel restrictions or bans; (iv) the varying impact that the public health crisis may have on different clients, vendors or industries; (v) actions by our clients or prospective clients in response to any public health crisis, including delays, stoppages or termination of existing engagements or hiring decisions; (vi) the varying demand for the types of services we offer in the geographic regions in which we offer them; (vii) our ability to continue to effectively market our services; (viii) our ability to replace engagements as they end or are terminated, stopped or delayed; (ix) the ability of our professionals to effectively provide services, including as a result of travel restrictions or bans, inability to meet clients in person, and the need or decision to work remotely; (x) our ability to maintain or increase the utilization of our revenue generating professionals or reassign professionals between or among segments and service offerings; (xi) increased employee turnover or a reduction in the pool of qualified employee candidates available to staff engagements or hire, and adverse health outcomes for our employee population; (xii) increased costs of doing business, including compensation expense; (xiii) the type, size, profitability and geographic locations of our engagements; (xiv) the ability of our clients to make timely payments or to pay in full; (xv) the contagiousness and danger posed by the disease or event causing the public health crisis; (xvi) timing of finding effective treatments for COVID variants and any disease causing a public health crisis; or (xvii) vaccine mandates by governmental authorities or clients, or vaccine hesitancy by our employees, client employees and others with whom we work. In addition, in some cases, COVID- 19 or other public health crises could heighten risks related to, or otherwise negatively impact, the effectiveness of cybersecurity, information technology, financial reporting and other corporate functions that we rely upon to operate. Risks~~ arising from **such actions** ~~our continued reliance on remote communications, virtual meetings and other forms of technology could also result in elevated cybersecurity risks and difficulty protecting company and client confidential communications. We may experience impairments or degradation of the effectiveness, capabilities and capacity of certain technology we employ, including issues with virtual meetings. Certain employees or regions could experience difficulties accessing and maintaining Internet connections or issues with saving and retrieving information from cloud- based and other computing systems. One or more of the above types of events, and others we have not yet identified could if they arise and continue, potentially have an adverse impact on our costs of doing business and financial results, and the business operations of one or more of our segments or practices, or regions in which we operate, and / or our financial condition and / or our stock price~~. Risks Related to Our People Our failure to recruit and retain qualified professionals and manage headcount needs and utilization could negatively affect our financial results and our ability to staff client engagements, maintain relationships with clients and drive future growth. We deliver sophisticated professional services to our clients. Our success **and future growth** is dependent, in large part, on our ability to keep our supply of skills and human resources in balance with client demand around the world. To attract and retain clients, we need to demonstrate professional acumen and build trust and strong relationships. Our professionals have highly specialized skills. They also develop strong bonds with the clients they serve **, which is a critical element in obtaining and maintaining client engagements** . Our continued success depends upon our ability to attract and retain professionals who have expertise, a good reputation and client relationships critical to maintaining and developing our business. We face intense competition in recruiting and retaining highly qualified professionals to drive our organic growth and support expansion of our services and geographic footprint. We **incur significant expenses, time and resources to train, integrate and develop our professionals. We experience attrition of highly qualified professionals in the normal course of our business. We** cannot assure that we will be able to attract or retain **any particular** qualified professionals **or replace those that choose** to **leave us, or** maintain or expand our business. If we are unable to successfully integrate, motivate ~~and~~ **,** retain **or replace** qualified professionals, our ability to continue to secure **or perform** work may suffer. Competition and third- party recruiting efforts targeting professionals with expertise relevant to our business have **accelerated and have** caused our costs of retaining and hiring qualified professionals to increase ~~,~~ **. That is** a trend **that** we ~~expect will~~ **see continuing and that has contributed and in the future is likely to** continue ~~and could impair our ability~~ to ~~maintain or~~ **contribute to** ~~increase~~ **increased** ~~headcount, and further increase our~~ costs of operations ~~or adversely affect our~~ **and, in some cases, lower** operating margins **. In addition, the departure of one professional may lead to the departure of other professionals who have worked together here** and ~~financial results~~ **desire to continue to work together elsewhere** . Despite fixed terms or renewal provisions, we face retention issues during and at the end of the terms of those agreements and large compensation expenses to secure extensions. There is no assurance we will enter into new or extend existing employment agreements with professionals subject to written employment agreements. We monitor contract expirations carefully to commence dialogues with professionals regarding their employment in advance of the actual contract expiration dates. Our goal is to renew employment agreements when advisable and to stagger the expirations of the agreements if possible. Because of the concentration of contract expirations in certain years, we may experience high turnover or other adverse consequences, such as higher costs, loss of clients and engagements or difficulty in staffing engagements, if we are unable to renegotiate employment agreements or the costs of retaining qualified professionals become too high. The implementation of new compensation arrangements may result in the concentration of potential turnover in future years. Our people are our primary assets and account for the majority of our expenses. During periods of reduced demand for our services, or in response to unfavorable changes in market or industry conditions, we may seek to align our cost structure more closely with our revenues and increase our utilization rates by reducing headcount and eliminating or consolidating underused locations in affected reportable segments or practices. Following such actions, in response to subsequent increases in demand for our services, including as a result of favorable changes in market or industry conditions, we may need to hire, train and integrate additional qualified and skilled personnel and may be unable to do so to meet our needs or our clients' demands on a timely basis. If we are unable to manage staffing levels on a timely basis in light of changing opportunities or conditions, ~~including as a result of COVID- 19 or the emergence of new variants or future public health crises,~~ our ability to accept or service business opportunities and client engagements, take advantage of positive market and industry developments, and realize future growth could be negatively affected, which could negatively impact our revenues and profitability. In addition, while increased utilization resulting from headcount reductions may enhance our profitability in the near term, it could negatively affect our business over the longer term by limiting the time our professionals have to seek out and cultivate new client relationships and win new projects. We incur substantial costs to hire and retain our professionals, and we expect these costs to continue and to grow. We may pay hiring or retention bonuses to secure the services of professionals **and maintain incentive compensation programs for their benefit** . ~~Those payments~~ **Payments** have taken the form of unsecured general recourse forgivable loans, stock options, restricted stock, cash- based stock appreciation rights and other equity- and cash- based awards, and cash payments to attract and retain our professional employees. We may provide forgivable or other types of loans under our incentive compensation programs, or to new hires and professionals who join us in connection with acquisitions, as well as to select current employees and other professionals on a case- by- case basis. The aggregate amount of loans to professionals is significant. We expect to continue issuing unsecured general recourse forgivable loans ~~. We also provide significant additional payments under our incentive compensation programs or as sign- on or retention awards, including awards in the form of restricted stock or units, and other stock- or cash- based awards~~ . In addition, our Economic Consulting segment has contracts with select economists or professionals that provide for compensation equal to a percentage of such individual' s annual collected client fees plus a percentage of the annual fees generated by junior professionals working on engagements managed by such professionals, which results in compensation expenses for that segment being a higher percentage of segment revenues and Adjusted Segment EBITDA than the compensation paid by other segments. We expect that these arrangements will continue **,** and ~~that~~ the Company has and will continue to enter into similar arrangements with other economists and professionals hired by the Company. **In some cases, however, we have been, and in the future expect that we will continue to be, unsuccessful in reaching agreement on compensation or other key employment terms with certain highly qualified professionals who then choose to leave the Company. Such professionals will often pursue other business and professional opportunities and may compete with the Company for clients and / or employees. These situations have increased, and we expect that they will continue into the future to increase, our costs to retain other professionals at the Company and impact our ability to retain existing clients and win new engagements.** We rely heavily on our executive officers and the heads of our segments and industry and regional leaders for the success of our business, the loss of whom may negatively impact our business and operations. We rely heavily on our executive officers and our segment, industry and regional leaders to manage our operations. Given the highly specialized nature of our services and the scale of our operations, our executive officers and the heads of our segments and industry and regional leaders must have a thorough understanding of our service offerings, as well as the skills and experience necessary to manage a large organization in diverse geographic locations. We are unable to predict with certainty the impact that leadership transitions and the loss of certain employees in leadership roles may have on our business operations, prospects, financial results, client relationships, or employee retention or morale. **If one or more of our leaders leave and cannot be replaced with a suitable candidate quickly, we could experience difficulty in securing and successfully completing engagements and managing our operations, which could harm our business, prospects and financial results.** Professionals may leave our Company to form or join competitors or clients, and we may not have, or may choose not to pursue, legal recourse against such professionals. Our professionals typically have close relationships with the clients they serve, based on their expertise and bonds of personal trust and confidence. Therefore, the barriers to our professionals pursuing independent business opportunities or joining our competitors or clients **are** ~~should be considered~~ low. Although our clients generally contract for services with us as a company, and not with an individual ~~professional~~ , in the event that a professional leaves, such clients may decide that they prefer to continue working with a specific professional rather than with our Company. ~~Substantially all of~~ **This has occurred in the past, and we expect that it will continue to occur from time to time in the future. While** our written employment agreements with our Senior Managing Directors and equivalent employees **may** include non- competition and non- solicitation ~~covenants~~ **clauses, such clauses may offer us only limited or no protections and may be unenforceable in one or more jurisdictions** . ~~These restrictions~~ **In certain jurisdictions, non-competition clauses have been abolished or banned. When inclusion of a non- competition clause is appropriate, we** have generally ~~been~~ drafted **the restrictions to seek** to comply with **applicable** state **law, including** " reasonableness " standards **regarding scope and duration** . However, **changes in** ~~states~~ - **state** ~~generally interpret~~ **laws and rules and new court decisions can raise questions about the enforceability of contractual** restrictions **that** ~~on competition narrowly and in favor of employees. Therefore~~ , **when originally agreed, appeared** ~~a state may hold certain restrictions on competition~~ to be ~~unenforceable~~ -- **enforceable** . In the case of employees outside the U. S., we draft non- competition provisions in an effort to comply with applicable foreign law. In the event an employee departs and acts in a way that we believe violates **an applicable** ~~his or her~~ non- competition or non- solicitation agreement, we will consider any **available** legal remedies we may have against such person on a case- by- case basis. We may decide that preserving cooperation and a professional relationship with a former employee or client, or other concerns, ~~outweighs~~ - **outweigh** the **potential** benefits of ~~any possible~~ **litigation or other options**

to seek legal ~~recourse~~ **or equitable remedies** . We may also decide that the likelihood of success does not justify the costs of pursuing a **claim** ~~legal remedy~~ . ~~Therefore~~ **Accordingly** , there may be times we may decide not to pursue legal action, even if it is available ~~to us~~ . ~~Additionally~~ **Starting January 1** , ~~in~~ **2024, California adopted legislation that expanded that state' s existing restrictions on non- competes to agreements created out- of- state and created new enforcement rights for employees to challenge such clauses. Other states, such as New York, are considering or have adopted similar legislation restricting the scope or enforceability of contractual non- competition provisions. There has been some discussion that non- competition clauses should be banned on a federal level. In** January 2023, the Federal Trade Commission proposed a new rule that would ban employers from imposing non- competition agreements on ~~their~~ workers ~~, and if~~ **. The adoption of restraints on our ability to** ~~adopted~~ - **adopt** ~~, such rule could~~ **or enforce employment provisions considered as a restraint on competition may** increase turnover **and** ~~, increase~~ compensation costs to hire and retain professionals, and **may** adversely impact our ability to **hire,** maintain and increase headcount, **and** ~~which could also adversely affect~~ our ability to service **and keep** our clients and ~~keep or~~ secure ~~client~~ engagements. Our failure to achieve and maintain ~~a diverse and~~ - **an** inclusive workforce may impair our ability to attract and retain qualified employees, win and maintain clients **,** or attract investment, which could have a material adverse effect on our business and financial results, as well as reputational harm. **As a global multicultural company our talent and retention initiatives are designed to provide opportunities across genders, races, nationalities and sexual orientations.** We ~~seek diverse talent internally and externally in~~ **believe that a workforce that reflects the myriad identities of our clients** ~~an~~ **and** ~~effort to achieve more diverse representation throughout~~ **vendors with whom we do business,** our ~~organization~~ **stakeholders and the populations of the regions in which we have operations results in best in class advice to our clients, improves the quality of our services, promotes employee satisfaction and retention, and increases the overall value of our business** . We promote inclusion through ~~hiring practices,~~ education, training and development opportunities. **Failure to maintain** ~~We also drive accountability and~~ - **an** ~~equitable outcomes by reviewing and revising our practices and policies to reduce biased outcomes, and by measuring and assessing~~ inclusive ~~behaviors, practices and representation~~ **workforce may adversely affect our business** . **Risks Related to** Our ~~evaluation of the success of~~ **Client Relationships Damage to our reputation could result in material adverse consequences to our business and adversely impact our client engagements and financial results. Damage to our reputation** ~~our~~ - **or the reputations** ~~corporate leadership includes consideration~~ of ~~increases in~~ **key members of our** workforce ~~diversity,~~ **could materially** and ~~the development and promotion of diverse~~ - **adversely** ~~employees. Key areas on which we are focused~~ **affect our business and operations in many possible ways,** ~~include~~ **including among, other things:** (i) ~~reinforcement of~~ **difficulty retaining clients** ~~our~~ - **or securing client referrals or new clients;** ~~diverse talent pipeline by, among other things, requiring diverse hiring candidate slates and promotion candidate groups,~~ (ii) ~~identifying and seeking to eliminate impediments to hiring and promotion of diverse~~ - **adverse publicity** ~~candidates,~~ and **public comments;** (iii) ~~increasing~~ **activist social media and** ~~the~~ **other** ~~retention~~ **campaigns targeting our or our clients' businesses** and ~~representation~~ **activities; (iv) increased employee turnover or difficulty recruiting and hiring staff; and (v) public scrutiny. Given the frequently high- profile nature** of ~~underrepresented groups based~~ **the matters we work** on ~~gender and race / ethnicity. If we fail to promote diverse individuals to leadership positions~~ , ~~increase and maintain the~~ **any factor that diminishes our** ~~representation~~ **reputation** ~~of diverse groups in our~~ - **or the reputation** ~~workforce, provide opportunities for advancement and inclusion~~ of **any** ~~diverse candidates, and remove barriers to hiring and retention~~ of **our professionals** ~~diverse individuals, we~~ could ~~lose, or face difficulties attracting~~ **put us at a competitive disadvantage** and **adversely affect** ~~retaining employees, clients and investors in~~ our business, **prospects** and **financial results** ~~we could also face reputational harm~~ . ~~Risks Related to Our Client Relationships~~ If we are unable to accept or continue client engagements due to real or perceived relationship issues, our revenues, growth, client engagements and prospects may be negatively affected. ~~Our inability~~ **From time** to **time we decide that we cannot or should not** accept **an** ~~engagements~~ **engagement** from **an** existing or prospective ~~clients~~ - **client** ~~,~~ **or** represent multiple clients in connection with the same or competitive engagements **. In addition** , ~~or any requirement~~ **upon occasion, we decide** that we **should or must** resign from a client engagement **. Such decisions** may negatively impact our revenues, growth and financial results. While we follow internal practices to assess real and potential issues in the relationships between and among our clients, engagements, segments, practices and professionals, such concerns cannot always be avoided. For example, we generally will not represent parties adverse to each other in the same matter. Under U. S. federal bankruptcy rules, we generally may not represent both a debtor and its creditors in the same proceeding, and we are required to notify the U. S. Trustee of real or potential conflicts. Even if we begin a bankruptcy- related engagement, the U. S. Trustee could find that we no longer meet the disinterestedness standard because of real or potential changes in our status as a disinterested party and order us to resign, which could result in disgorgement of fees. **Future** ~~Acquisitions~~ **acquisitions** may require us to resign from a client engagement because of relationship issues that are not currently identifiable. In addition, businesses that we acquire or employees who join us may not be free to accept engagements they could have accepted prior to our acquisition or hire because of relationship issues. Claims involving our services or adverse publicity could harm our overall professional reputation and our ability to compete and attract business or hire or retain qualified professionals. Our engagements involve matters that may result in a severe impact on a client' s business, cause the client a substantial monetary loss or prevent the client from pursuing business opportunities. Our ability to attract new clients and generate new and repeat engagements or hire professionals depends upon our ability to maintain a high degree of client satisfaction, as well as our reputation among industry professionals. As a result, any claims against us involving the quality of our services may be more damaging than similar claims against businesses in other industries. From time to time, we may accept clients or perform engagements that may be viewed as controversial or that generate adverse publicity relating to our involvement or the services that we provide, including work we do for clients in high emissions industries. Such controversial engagements or negative reactions may adversely affect our reputation or the reputations of our employees and other professionals who provide services, or may otherwise harm our ability to attract or retain clients, employees and other professionals, all of which could have an adverse effect on our results of operations, business or prospects. We may incur significant costs and may lose engagements as a result of claims by our clients regarding our services. Many of our engagements involve complex analysis and the exercise of professional judgment, including litigation and governmental investigatory matters where we act as experts. Therefore, we are subject to the risk of professional and other liabilities. Although we believe we maintain an appropriate amount of insurance, it is limited. Damages and / or expenses resulting from any successful claim against us, for indemnity or otherwise, in excess of the amount of insurance coverage will be borne directly by us and could harm our profitability and financial resources. Any claim by a client or third- party against us could expose us to reputational issues that adversely affect our ability to attract new or maintain existing engagements or clients or qualified professionals or other employees, consultants or contractors. Our clients may terminate our engagements with little or no notice and without penalty, which may result in unexpected declines in our utilization and revenues. Our engagements center on transactions, disputes, litigation and other event- driven occurrences that require independent analysis or expert services. Transactions may be postponed or canceled, litigation may be settled or dismissed, and disputes may be resolved, in each case with little or no prior notice to us. If we cannot manage our work in process, our professionals may be underutilized until we can reassign them or obtain new engagements, which can adversely affect financial results. The engagement letters that we typically enter into with clients do not obligate them to continue to use our services. Typically, our engagement letters permit clients to terminate our services at any time without penalty. In addition, our business involves large client engagements that we staff with a substantial number of professionals. At any time, one or more client engagements may represent a significant portion of a segment' s revenues. If we are unable to replace clients or revenues as engagements end or if clients unexpectedly cancel engagements with us or curtail the scope of our engagements and we are unable to replace the revenues from those engagements, eliminate the costs associated with those engagements or find other engagements to utilize our professionals, the financial results of the Company could be adversely affected. We may not have, or may choose not to pursue, legal remedies against clients that terminate their engagements. The engagement letters that we typically have with clients do not obligate them to continue to use our services and permit them to terminate the engagement without penalty at any time. Even if the termination of an ongoing engagement by a client could constitute a breach of the client' s engagement agreement, we may decide that preserving the overall client relationship is more important than seeking damages for the breach and, for that or other reasons, decide not to pursue any legal remedies against a client, even though such remedies may be available to us. We make the determination whether to pursue any legal actions against a client on a case- by- case basis. ~~Failure of our internal information technology systems controls may harm our overall professional reputation and disrupt our business operations. Our reputation for providing secure information storage and maintaining the confidentiality of proprietary, confidential and trade secret information is critical to the success of our businesses, especially our Technology segment, which hosts client information as a service. We routinely face cyber- based attacks and attempts by hackers and similar unauthorized users to gain access to or corrupt our information technology systems, which so far, to our knowledge, have been unsuccessful. Such attacks, if successful, could harm our overall professional reputation, disrupt our business operations, cause us to incur unanticipated losses or expenses, and result in unauthorized disclosures of confidential or proprietary information. We expect to continue to face such attempts. Although we seek to prevent, detect and investigate these network security incidents and have taken steps to mitigate the likelihood of network security breaches, there can be no assurance that attacks by unauthorized users will not be attempted in the future or that our security measures will be effective.~~ Risks Related to Competition If we fail to compete effectively, we may miss business opportunities or lose existing clients, and our revenues and profitability may decline. The market for some of our consulting services is highly competitive. We do not compete against the same companies across all of our segments, practices, services, industries or geographic regions. Instead, we compete with different companies or businesses of companies depending on the particular nature of a proposed engagement and the types of requested service (s) and the location of the client or delivery of the service (s). Our operations are highly competitive. Our competitors include large organizations, such as the global accounting firms and the large management and financial consulting companies that offer a broad range of consulting services; investment banking firms; IT consulting and software companies, which offer niche services that are the same or similar to services or products offered by one or more of our segments; and small firms and independent contractors that focus on specialized services. Some of our competitors have significantly more financial resources, a larger national or international presence, larger professional staffs and greater brand recognition than we do. Some have lower overhead and other costs and can compete through lower cost- service offerings. Since our business depends in large part on professional relationships, our business has low barriers to entry for professionals electing to start their own firms or work independently. In addition, it is relatively easy for professionals to change employers. If we cannot compete effectively or if the costs of competing, including the costs of hiring and retaining professionals, become too expensive, our revenue growth and financial results could be negatively affected and may differ materially from our expectations **. Our competitors may adopt and deploy new technologies, such as AI and machine learning, more rapidly or successfully than we do, which may materially adversely affect our competitive position, operations and financial results** . We may face competition from parties who sell us their businesses and from professionals who cease working for us. In connection with our acquisitions, we generally obtain non- solicitation agreements from the professionals we hire, as well as non- competition agreements from senior managers and professionals. The agreements prohibit such individuals from competing with us during the term of their employment and for a fixed period afterward and from seeking to solicit our employees or clients. In some cases, but not all, we may obtain non- competition or non- solicitation agreements from parties who sell us their businesses or assets. The duration of post- employment non- competition and non- solicitation agreements typically ranges from six to 12 months. Non- competition agreements with the sellers of businesses or assets that we acquire typically continue longer than 12 months. Certain activities may be carved out of, or otherwise may not be prohibited by, these arrangements. We cannot assure that one or more of the parties from whom we acquire a business or assets, or who do not join us or leave our employment, will not compete with us or solicit our employees or clients in the future. States and foreign jurisdictions may interpret restrictions on competition narrowly and in favor of employees or sellers. Therefore, certain restrictions on competition or solicitation may be unenforceable. In addition, we may not pursue legal remedies if we determine that preserving cooperation and a professional relationship with a former employee or his or her clients, or other concerns, outweighs the benefits of any possible legal recourse or the likelihood of success does not justify the costs of pursuing a legal remedy. Such persons, because they have worked for our Company or a business that we acquire, may be able to compete more effectively with us, or be more successful in soliciting our employees and clients, than unaffiliated third parties. Risks Related to Acquisitions We may have difficulty integrating acquisitions or convincing clients to allow assignment of their engagements to us, which can increase costs of, and reduce the benefits we receive from, acquisitions. The process of managing and integrating acquisitions into our existing operations may result in unforeseen operating difficulties and may require significant financial, operational and managerial resources that would otherwise be available for the operation, development and organic expansion of our existing operations. To the extent that we misjudge our ability to ~~properly~~ **effectively** manage and integrate acquisitions, we may have difficulty achieving our operating, strategic and financial objectives. Acquisitions also may involve a number of special financial, business and operational risks, such as: (i) difficulties in integrating diverse corporate cultures and management styles; (ii) disparate policies and practices; (iii) client relationship issues; (iv) decreased utilization during the integration process; (v) loss of key existing or acquired personnel; (vi) increased costs to improve or coordinate managerial, operational, financial and administrative systems; (vii) dilutive issuances of equity securities, including convertible debt securities, to finance acquisitions; (viii) the assumption of legal liabilities; (ix) future earn- out payments or other price adjustments; (x) potential future write- offs relating to the impairment of goodwill or other acquired intangible assets or the revaluation of assets; (xi) difficulty or inability to collect receivables; and (xii) undisclosed liabilities. In addition to the integration challenges mentioned above, our acquisitions of non- U. S. companies offer distinct integration challenges relating to foreign laws and governmental regulations, including tax and employee benefit laws, and other factors relating to operating in countries other than the U. S., which we have addressed above in the discussion regarding the difficulties we may face operating globally. Asset transactions may require us to seek client consents to the assignment of their engagements to us or a subsidiary. All clients may not consent to assignments. In certain cases, such as government contracts and bankruptcy engagements, the consent of clients cannot be solicited until after the acquisition has closed. Further, such engagements may be subject to security clearance requirements or bidding provisions with which we might not be able to comply. There is no assurance that clients of the acquired entity or local, state, federal or foreign governments will agree to novate or assign their contracts to us. The Company may also hire groups of selected professionals from another company. In such event, there may be restrictions on the ability of the professionals who join the Company to compete and work on client engagements. In addition, the Company may enter into arrangements with the former employers of those professionals regarding limitations on their work until any time restrictions pass. In such circumstances, there is no assurance that the Company will enter into mutually agreeable arrangements with any former employer, and the utilization of such professionals may be limited, and our financial results could be negatively affected until their restrictions end. The Company could also face litigation risks from group hires. Risks relating to claims or litigation relating to breach of applicable restrictive covenants by such new hires may result in the Company being subject to monetary damages, which could be significant, and could delay or restrict the ability of such new hires to provide services as employees of the Company. We may have different systems of governance and management from a company we acquire or its parent, which could cause professionals who join us from an acquired company to leave us. Our governance and management policies and practices will not mirror the policies and practices of an acquired company or its parent. In some cases, different management practices and policies may lead to workplace dissatisfaction on the part of professionals who join our Company. Some professionals may choose not to join our Company or leave after joining us. Existing professionals may leave us as well. The loss of key professionals may harm our business and financial results and cause us not to realize the anticipated benefits of the acquisition. Risks Related to Our Indebtedness Our leverage could adversely affect our financial condition or operating flexibility if the Company fails to comply with operating covenants under applicable debt instruments. Our senior secured bank revolving credit facility (“ Credit Facility ”), or our other indebtedness outstanding from time to time, contains or may contain operating covenants that may, subject to exceptions, limit our ability and the ability of our subsidiaries to, among other things: (i) create, incur or assume certain liens; (ii) make certain restricted payments, investments and loans; (iii) create, incur or assume additional indebtedness or guarantees; (iv) create restrictions on the payment of dividends or other distributions to us from our restricted subsidiaries; (v) engage in M & A transactions, consolidations, sale- leasebacks, joint ventures, and asset and security sales and dispositions; (vi) pay dividends or redeem or repurchase our capital stock; (vii) alter the business that we and our subsidiaries conduct; (viii) engage in certain transactions with affiliates; (ix) modify the terms of certain indebtedness; (x) prepay, redeem or purchase certain indebtedness; and (xi) make material changes to accounting and reporting practices. In addition, the Credit Facility includes a financial covenant that requires us not to exceed a maximum consolidated total net leverage ratio (the ratio of funded debt (less unrestricted cash up to $ 300. 0 million) to Consolidated EBITDA, as defined in the Credit Facility). Operating results below a certain level or other adverse factors, including a significant increase in interest rates, could result in us being unable to comply with certain covenants. If we violate any applicable covenants and are unable to obtain waivers, our agreements governing our indebtedness or other applicable agreement could be declared in default and could be accelerated, which could permit, in the case of secured debt, the lenders to foreclose on our assets securing the debt thereunder. If the indebtedness is accelerated, we may not be able to repay our debt or borrow sufficient funds to refinance it. Even if we are able to obtain new financing, it may not be on commercially reasonable terms or on terms that are acceptable to us. If our debt is in default for any reason, our cash flows, financial results or financial condition could be materially and adversely affected. In addition, complying with these covenants may cause us to take actions that are not favorable to holders of our outstanding indebtedness and may make it more difficult for us to successfully execute our business strategy and compete against companies that are not subject to such restrictions. We and our subsidiaries may incur significant additional indebtedness. We and our subsidiaries may incur substantial additional indebtedness, including additional secured indebtedness, in the future. The terms of the ~~indenture, dated as of August 20, 2018, as amended by the first supplemental indenture, dated as of January 1, 2022 (the " First Supplemental Indenture "), between us and U. S. Bank National Association, as trustee (as so amended, the " Indenture "), governing the 2. 0 % convertible senior notes due 2023 (the " 2023 Convertible Notes), do not restrict us from incurring additional debt, securing existing or future debt, recapitalizing our debt or taking a number of other actions that are not limited by the terms of the Indenture. The terms of the~~ agreements governing our Credit Facility and other indebtedness limit, but do not prohibit, us from incurring additional indebtedness. Our ability to incur additional indebtedness may have the effect of reducing the funds available to pay amounts due with respect to our indebtedness. If we incur new indebtedness or other liabilities, the related risks that we and our subsidiaries may face could intensify. We may ~~not~~ be ~~able~~ **unable** to generate sufficient cash to service our indebtedness, and we may be forced to take actions to satisfy our payment obligations under our indebtedness, which may not be successful. Our ability to make scheduled payments on or to refinance our indebtedness depends on our future performance, including the performance of our subsidiaries, which will be affected by financial, business and economic conditions, competition and other factors. We will not be able to control many of these factors, such as the general economy, economic conditions in the industries in which we operate and competitive pressures. Our cash flows may not be sufficient to allow us to pay principal and interest on our indebtedness and to meet our other obligations. If our cash flows and capital resources are insufficient to fund our debt service obligations, we may be forced to reduce or delay investments and capital expenditures or to sell assets, seek additional capital, or restructure or refinance our indebtedness. These alternative measures may not be successful and may not permit us to meet our scheduled debt service obligations. In addition, the terms of existing or future debt agreements, including our Credit Facility, may restrict us from pursuing any of these alternatives. In the event that we need to refinance all or a portion of our outstanding indebtedness before maturity or as it matures, we may not be able to obtain terms as favorable as the terms of our existing indebtedness or refinance our existing indebtedness at all. If interest rates or other factors existing at the time of refinancing result in higher interest rates upon refinancing, we will incur higher interest expense. Furthermore, if any rating agency changes our credit rating or outlook, our debt and equity securities could be negatively affected, which could adversely affect our financial condition and financial results. Our Credit Facility is guaranteed by substantially all of our wholly- owned domestic subsidiaries and will be required to be guaranteed by future **wholly- owned** domestic subsidiaries, including those that join us in connection with acquisitions. Substantially all of our **wholly- owned** U. S. subsidiaries guarantee our obligations under our Credit Facility, and substantially all of their assets are pledged as collateral under the Credit Facility. Future **wholly- owned** U. S. subsidiaries **, subject to certain exclusions,** will be required to provide similar guarantees and asset pledges under the Credit Facility. If we default on any guaranteed indebtedness, our U. S. subsidiaries **that are guarantors** could be required to make payments under their guarantees, and **the lenders under** our **Credit Facility** ~~senior secured creditors~~ could foreclose on **certain of** our U. S. subsidiaries' assets to satisfy unpaid obligations, which ~~would~~ **could** materially adversely affect our business and financial results ~~. We may not have the ability to raise the funds necessary to settle conversions of the 2023 Convertible Notes, repurchase the 2023 Convertible Notes upon a fundamental change or repay the 2023 Convertible Notes at the August 15, 2023 maturity date, and the agreements governing our other indebtedness contain, and our future debt agreements may contain, limitations on our ability to pay cash upon conversion or repurchase of the 2023 Convertible Notes. The maturity of our 2023 Convertible Notes is August 15, 2023. Prior to maturity, holders of the 2023 Convertible Notes will have the right to require us to repurchase their 2023 Convertible Notes upon the occurrence of a fundamental change at a fundamental change repurchase price equal to 100 % of the principal amount of the 2023 Convertible Notes to be repurchased, plus any accrued and unpaid interest. In addition, pursuant to the First Supplemental Indenture, we irrevocably elected to (i) surrender our right to settle conversions of the 2023 Convertible Notes on or after January 1, 2022 solely using our common stock and (ii) settle at least the $ 1, 000 aggregate principal amount of each 2023 Convertible Note submitted for conversion on or after January 1, 2022 in cash in connection with a settlement for which we elect a cash and common stock combination settlement. The practical effect of these elections is that the $ 316. 2 million aggregate principal amount of the 2023 Convertible Notes outstanding as of December 31, 2022 will be settled in cash and any premium due upon conversion may be settled (1) solely in cash, (2) solely in common stock or (3) in a combination of cash and common stock. Our Credit Facility prohibits us from making any cash payments on the maturity, conversion or repurchase of the 2023 Convertible Notes if a default or an event of default under the Credit Facility exists or would result from such conversion or repurchase, and if, after giving effect to such conversion or repurchase (and any additional indebtedness incurred in connection with such conversion or a repurchase), we would not be in pro forma compliance with the leverage ratio and other applicable covenants under the Credit Facility. Any future bank credit facility or other indebtedness that we obtain could also contain debt limitations or covenants that could adversely affect our ability to make cash payments on the 2023 Convertible Notes. The conditional conversion feature of the 2023 Convertible Notes, if triggered, may adversely affect our financial condition and operating results. In the event the conditional conversion feature of the 2023 Convertible Notes is triggered, holders of the 2023 Convertible Notes will be entitled to convert the 2023 Convertible Notes at their option at any time during specific periods listed in the Indenture governing the 2023 Convertible Notes. If one or more holders elect to convert their 2023 Convertible Notes, we would be required to settle a portion or all of our conversion obligation through the payment of cash, which could adversely affect our liquidity. In addition, even if holders do not elect to convert their 2023 Convertible Notes, we could be required under applicable accounting rules to reclassify all or a portion of the outstanding principal of the 2023 Convertible Notes as a current rather than long- term liability, which would result in a material reduction of our net working capital~~ . Our variable rate indebtedness will subject us to interest rate risk, which could cause our annual debt service obligations to increase significantly. Borrowings under our Credit Facility will be at variable rates of interest, including for U. S. Dollar borrowings at the Secured Overnight Financing Rate (" SOFR ") and, for borrowings in British Pound, the Sterling Overnight Index Average (" SONIA "), which expose us to interest rate risk. If interest rates increase, our debt service obligations on the variable rate indebtedness would increase even though the amount borrowed remained the same, and our cash flows could be adversely affected. An increase in debt service obligations under our variable rate indebtedness could affect our ability to make payments required under the terms of the agreements governing our indebtedness or our other indebtedness outstanding from time to time. SOFR and SONIA are available replacements for the London Interbank Offered Rate (“ LIBOR ”), which the U. K.’ s Financial Conduct Authority is phasing out as a benchmark. The change from LIBOR to SOFR and SONIA could expose our borrowings to less favorable rates. If the change to SOFR and SONIA results in increased interest rates or if our lenders have increased costs due to the change, then the Company' s debt that uses benchmark rates could be affected and, in turn, the Company' s cash flows and interest expense could be adversely impacted. The new rates may not be as favorable to us as those in effect prior to the discontinuation of LIBOR, and these new rates may be more volatile. In addition, the transition from LIBOR could have a significant impact on the overall interest rate environment and on our borrowing costs. While we do not expect the transition from LIBOR and the risks related thereto to have a material adverse effect on us, it remains uncertain at this time.