



NAVIGANT **INVESTOR** **OVERVIEW**

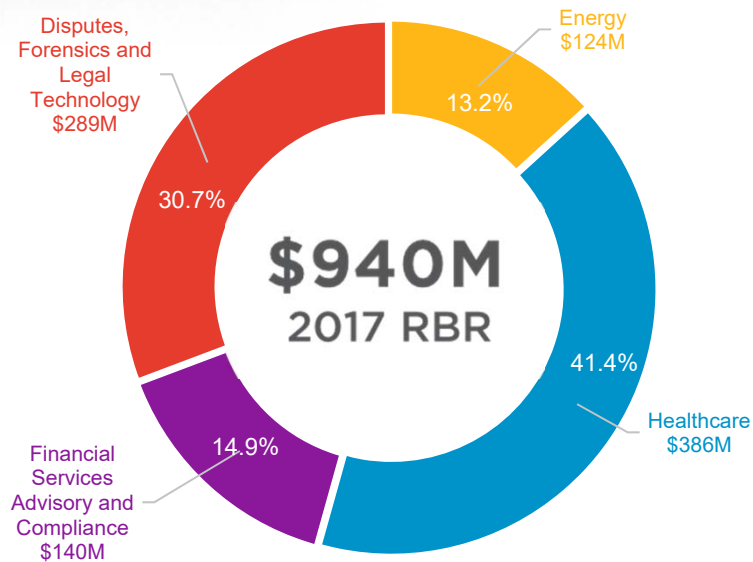
MAY 2018

NAVIGANT

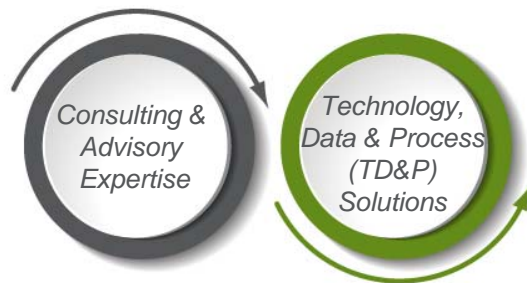
NAVIGANT

WHO WE ARE

Specialized, global professional services firm serving **HIGH-GROWTH** industry sectors



OUR OFFERINGS



GLOBAL PRESENCE

With headquarters in Chicago, Navigant has **60+** offices serving clients in **39** countries



209

Clients with
>\$1M
revenue

4,300+

Client
Engagements

5,900+

Employees
Worldwide

1,900+

Expert
Consultants

WHY INVESTORS CHOOSE NAVIGANT

Compelling investment thesis creates
STRONG FOUNDATION for long-term value
creation

- ✓ Significant **growth and transformation** in the **industries we serve**
- ✓ **Market-leading consulting practices** with world-class industry experts
- ✓ **Long-standing client relationship equity**
- ✓ **Growing recurring revenue** streams in solution-based adjacencies aligned with our deep industry know-how
- ✓ **Steady financial performance** focused on long-term value creation
- ✓ **Balanced capital allocation strategy** to support growth and **capital return to shareholders**

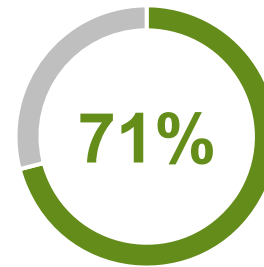
**Opportunity
to Create
Significant
Shareholder
Value**

WHY CLIENTS CHOOSE NAVIGANT

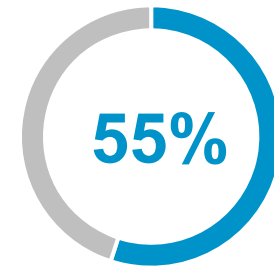
Cultivating long-lasting client relationships
underpinned by a strong track record of
CUSTOMER SERVICE and **PERFORMANCE**

- ✓ **Partnership-based approach** to client engagements, delivering **boutique service** supported by big-firm resources
- ✓ Deep bench of professionals with **significant industry experience** and access to a **depth and breadth of firm-wide capabilities**
- ✓ Investing in **technology-enabled capabilities** to bolster client offerings
- ✓ **High customer satisfaction** with track record of performance for clients
- ✓ Strong **employee retention**

... DRIVING HIGH CLIENT RETENTION



of our clients have done
business with Navigant for
5+ years⁽¹⁾



of our clients have done
business with Navigant for
10+ years⁽¹⁾

100% ▼



100% of our largest 100 clients were repeat
customers in 2017

WHY EMPLOYEES CHOOSE NAVIGANT

Fostering a **STRONG WORKPLACE** environment through collaboration and employee-driven cultural initiatives

- ✓ **Small-company vibe** driving autonomy and cross-functional collaboration
- ✓ **Opportunity to learn and advance** while working side-by-side with leading industry experts
- ✓ **Investment in professional development** through formalized training curriculum
- ✓ **Robust Diversity & Inclusion program** helping to foster a progressive work environment
- ✓ **Committed corporate citizenship program** to support the needs of the communities in which we work and live
- ✓ **Competitive compensation** and benefits, as well as an increased focus on wellness

... CREATING A GREAT PLACE TO WORK

9+ years Average tenure of current MDs

14-16%⁽¹⁾ Average voluntary turnover rate
(lower-end of historical range)



<< Among Best
Mid-Size Employers

Best Places to >>
Work for LGBTQ
Equality



82%
Employee
Engagement
Higher than industry
peers

10,000+
Hours of volunteer
time and
donations to over
215 charitable
organizations

750+
Employees participate
in seven Employee
Resource Groups that
celebrate affinity
groups and expand
cultural awareness

150+
Navigant
sponsored internal
and external
diversity and
inclusion events
annually

OPERATING SEGMENT OVERVIEWS

OPERATING SEGMENTS



HEALTHCARE

ENERGY

FSAC

DFLT

NAVIGANT HEALTHCARE

645+

Consulting Professionals

2,700+

Technology, Data & Process
(TD&P) Professionals

CONSULTING & ADVISORY

- Strategy Consulting
- Physician Enterprise
- Revenue Cycle Consulting
- Performance Improvement
- Regulatory and Compliance
- Life Sciences Commercialization

TD&P SOLUTIONS

- Revenue Cycle Business Process Management Services (BPMS)

DELIVERED TO



Hospitals



Payers



Medical Groups



Pharma & MedTech Companies

Clients include

8 of 10

largest Hospital Systems in the U.S



36 of 50

largest Pharma/MedTech companies

RECENT AWARDS

Among >> Best Healthcare Consulting Firms



Top 5 Healthcare >> Consulting Firm

Top RCM >> Outsourcing Provider

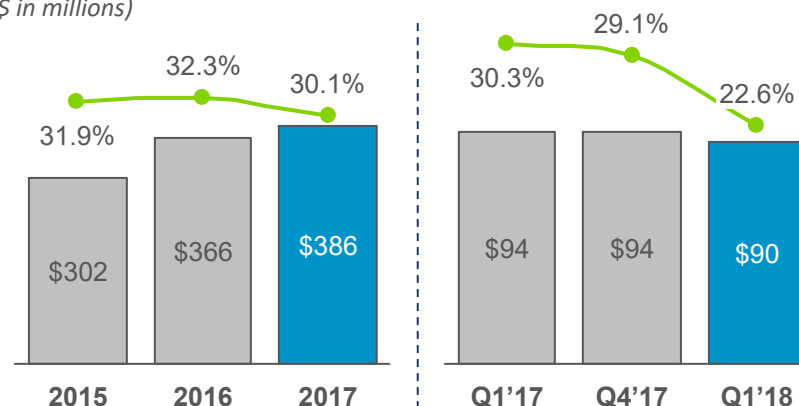


RECENT M&A

- Quorum Consulting added to Life Sciences practice (11/17)

RBR & Segment Operating Profit Margin⁽¹⁾⁽³⁾

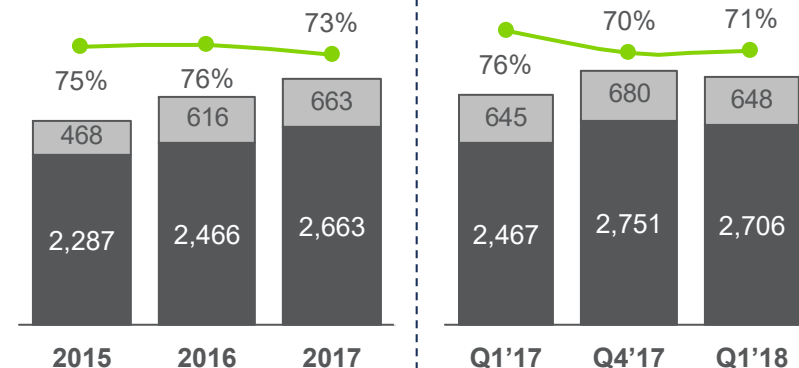
(\$ in millions)



Headcount & Utilization⁽¹⁾⁽²⁾⁽³⁾

■ Average FTEs - Consulting

■ Average FTEs - TD&P



(1) See definition and reconciliation of any non-GAAP measures, see the Appendix or investors.navigant.com

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(3) All prior period information has been restated to conform to current period presentation.

MARKET DEMAND DRIVERS



PAYMENT REFORM:

- Transition to value based reimbursement models
- Medicare and Medicaid policy changes
- More difficult collections



FINANCIAL PRESSURE:

- Declining operating margins
- Increased uncompensated care
- Revenue cycle complexity



INDUSTRY CONSOLIDATION:

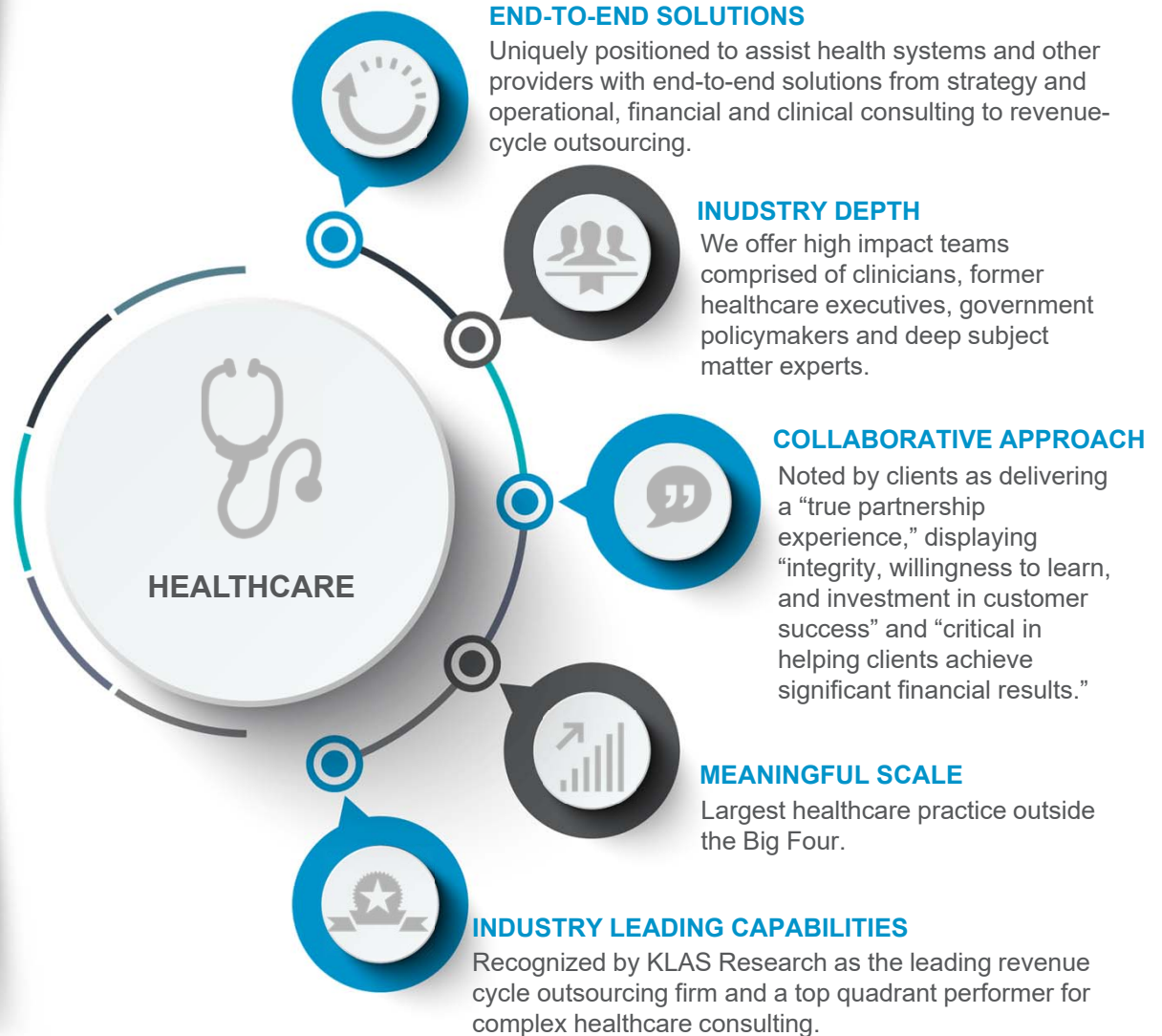
- Health system mergers
- Physician acquisitions



RX DRUG COMPETITION

- Record Rx drug launches
- Patent roll-offs

... ALIGNED WITH OUR DEEP INDUSTRY EXPERTISE



CASE STUDIES: HOW WE HELPED



LIFE SCIENCES

LARGE PHARMACEUTICAL COMPANY

SITUATION: Preparing for the launch of a new acute hospital-based treatment, our client engaged Navigant to help develop their customer reimbursement, market access strategy and tactical approach for product launch.

SOLUTION: Navigant responded with a tailored solution that leveraged a cross-functional team of experts. We provided industry perspective on the policy, market, and institutional dynamics that would influence reimbursement; identified the highest probability pathways for securing optimal access and utilization; and developed action plans providing clear direction forward with a business case and an interactive dashboard linking together all research to support future investment.

RESULTS: By combining landscape assessment, hospital segmentation, stakeholder mapping, and customer focus groups, Navigant helped the client achieve a successful launch supported by a refined value proposition and a comprehensive customer engagement strategy.

PERFORMANCE EXCELLENCE



SITUATION: Baptist (San Antonio) partnered with Navigant to develop and implement its Medicare Bundled Payments for Care Improvement Initiative (BPCI) implementation strategy, in response to new Medicare rules.

SOLUTION: A comprehensive gap analysis was conducted and a corrective action plan was developed. Navigant's efforts yielded strategies to achieve savings and performance targets, while advising care redesign teams and improving clinical information sharing.

RESULTS: \$2.3 million saved in the first year, a 10 percent reduction in readmissions, 20 percent reduction in skilled nursing utilization, and 22 percent reduction in inpatient rehab utilization.

HEALTHCARE STRATEGY

Edward-Elmhurst HEALTHCARE

SITUATION: Navigant was engaged to provide data, perspective, and strategic options as the organization combined three hospitals to create the new non-profit system, Edward-Elmhurst Health.

SOLUTION: We made strategic recommendations around both clinical and financial processes. Also, our revenue cycle team helped Edward-Elmhurst prepare for a new Electronic Health Record (EHR) system with a pre-go-live audit of the hospital billing system, conversion testing, and a plan to mitigate financial risk.

RESULTS: Following the formation of the new system, net income was increased by 52.8 percent, revenue increased by 9.7 percent, and the new system saw a \$22 million improvement in operating income from the previous year. Revenue cycle performance achieved 101% of baseline revenue within 60 days of go-live.

OPERATING SEGMENTS



HEALTHCARE

ENERGY

FSAC

DFLT

NAVIGANT ENERGY

435+

Consulting Professionals

55+

Technology, Data & Process
(TD&P) Professionals

CONSULTING & ADVISORY

- Strategy Consulting
- Energy Cloud Transformation
- Sustainability Solutions
- Clean Energy Programs
- Grid / System Transformation
- Technology Innovation and Mgmt
- Regulatory, Climate/Smart Cities

TD&P SOLUTIONS

- Market Research and Intelligence
- Data / Benchmarking Services

DELIVERED TO



Utilities



Government
& NGOs



Industries &
Large Corporations

Clients include **50** of the world's largest electric, water and gas utilities

RECENT AWARDS

**Environmental
Finance**

^^ Named "Best
Advisory-Renewable
Energy" Survey



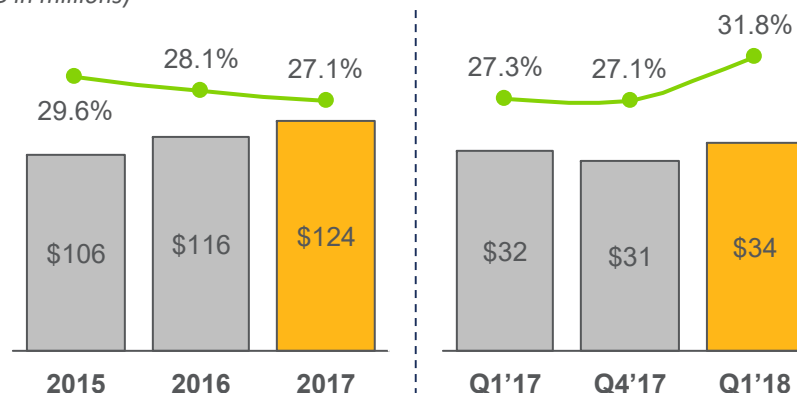
<< Among Top
10 in annual
ranking of the
Best Consulting
Firms for Energy

RECENT M&A

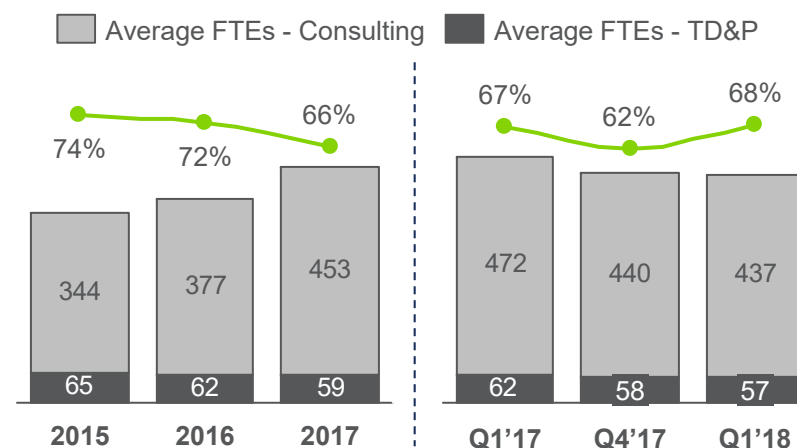
- Ecofys (11/16)

RBR & Segment Operating Profit Margin⁽¹⁾

(\$ in millions)



Headcount & Utilization⁽¹⁾⁽²⁾



MARKET DEMAND DRIVERS



Shift from large, centrally generated power to distributed energy resources



Grid modernization (IoT, smart meters, thermostats, etc.)



Grid stabilization & security



Rapidly changing regulation around renewables and distributed generation (solar, microgrid, storage, net metering etc.)



Use of AI, robotics and machine learning in utilities

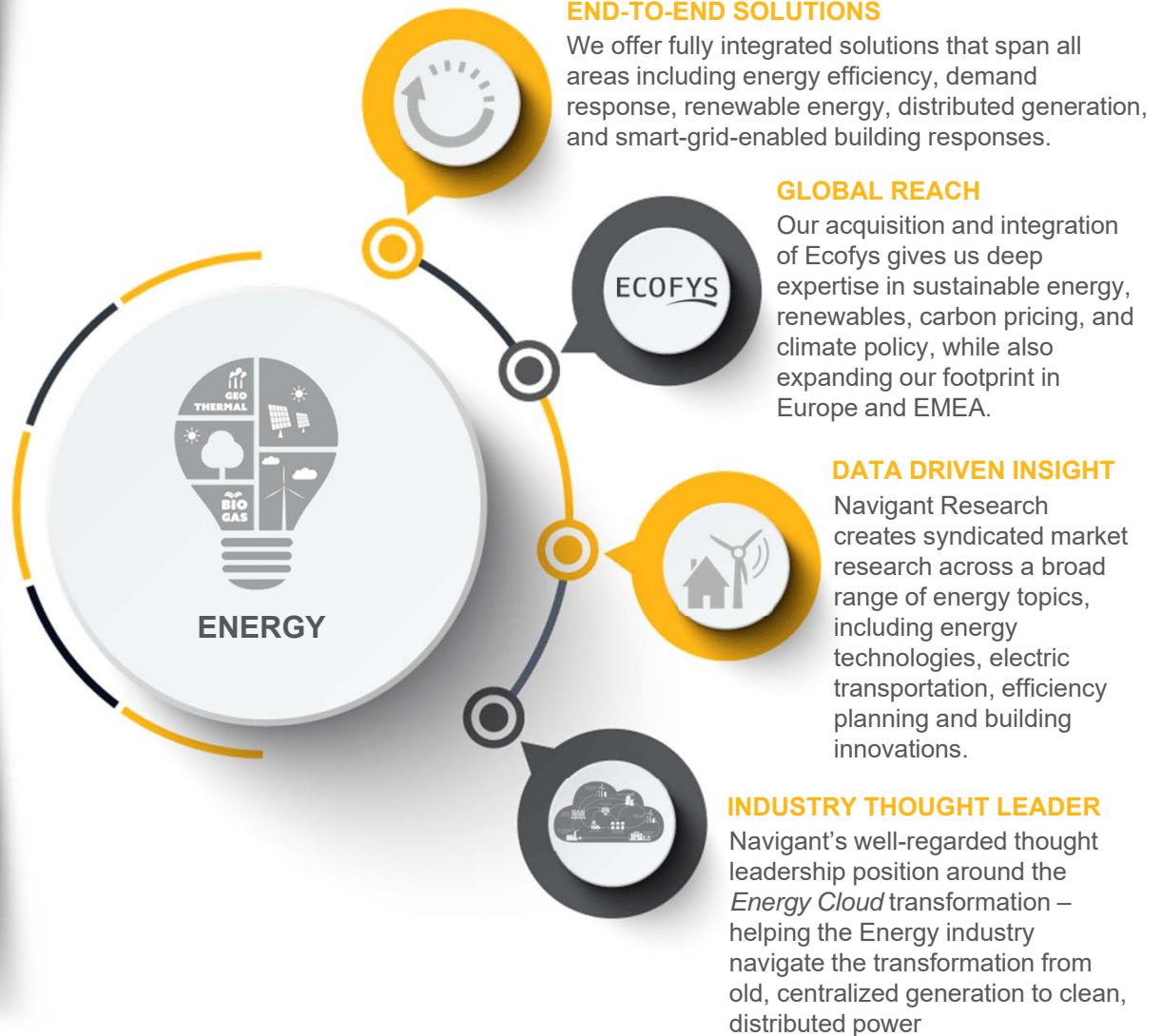


Global interest in carbon reduction and sustainability



Electrification of transportation

... ALIGNED WITH OUR DEEP INDUSTRY EXPERTISE



CASE STUDIES: HOW WE HELPED



E-TRANSPORTATION



SITUATION: Southern Company looked to Navigant to assess the opportunities for utilities to participate in the emerging electric vehicle (EV) market.

SOLUTION: A cross-functional team leveraged Navigant Research's syndicated research insights, our expansive network throughout the EV ecosystem, and proven EV adoption forecasting tool to sensitivity test a range of adoption levels across Southern Company's service areas over time. The analysis enabled the client to better understand the drivers, barriers, and business model opportunities achievable by engaging OEMs and charging providers, and identified the required education and infrastructure development priorities required for successful EV market development.

RESULTS: The client incorporated the findings into their corporate strategy for EV including capex, infrastructure and human capital needs.

SUSTAINABILITY SOLUTIONS

GERMAN MINISTRY FOR ECONOMIC AFFAIRS & ENERGY

SITUATION: As part of the reform of the German Renewable Energy Sources Act, the German Ministry for Economic Affairs and Energy hired Ecofys, a Navigant Company, to design its public auction system for renewable energy support.

SOLUTION: Drawing on knowledge gained from designing the first German pilot auction for solar PV, Ecofys advised on the design of onshore wind, offshore wind, PV, biomass, and CHP plants, as well as a technology-neutral pilot auction.

RESULTS: The first auction's results showed significant price reductions in onshore wind and solar PV. Of the two German solar PV auction rounds where the realization period has passed, more than 90 percent of the projects were built, providing the German government with an effective means for energy capacity control.

CLEAN ENERGY PROGRAMS



SITUATION: The Hawaiian Electric Company (HECO) is a publicly traded electric utility distributing power on five islands to 95 percent of Hawaii's population. HECO partnered with Navigant to explore the potential for developing a portfolio of fast-responding demand response resources to provide operational flexibility across its grid infrastructure.

SOLUTION: Navigant estimated the potential for varying customer end-use loads, to provide a range of grid services that included fast-responding loads which provide ancillary services and the more traditional use of customer loads for capacity reduction with longer notification periods. The project demonstrated Navigant's state-of-the-art modeling capabilities, and HECO used the study results to support its demand response filings with the state's public utility commission in determining the size of the resources able to be deferred or reduced for avoided cost.

OPERATING SEGMENTS



HEALTHCARE

ENERGY

FSAC

DFLT

NAVIGANT FINANCIAL SERVICES ADVISORY AND COMPLIANCE

325+

Consulting Professionals

110+

Technology, Data & Process (TD&P) Professionals

CONSULTING & ADVISORY

- Regulatory Compliance, Risk and Control Solutions
- Accounting and Finance Solutions
- Investigations
- Operational Effectiveness
- FinTech Solutions
- Valuation / Transaction Advisory

TD&P SOLUTIONS

- Mortgage Processing
- Transaction Review

DELIVERED TO



Banks



Insurance Companies



Investment Management



Capital Markets

Clients include

» **8 of 10**
of the largest U.S. Banks

For Ellen Zimiles (segment leader):

RECENT AWARDS

LAWYER
MONTHLY

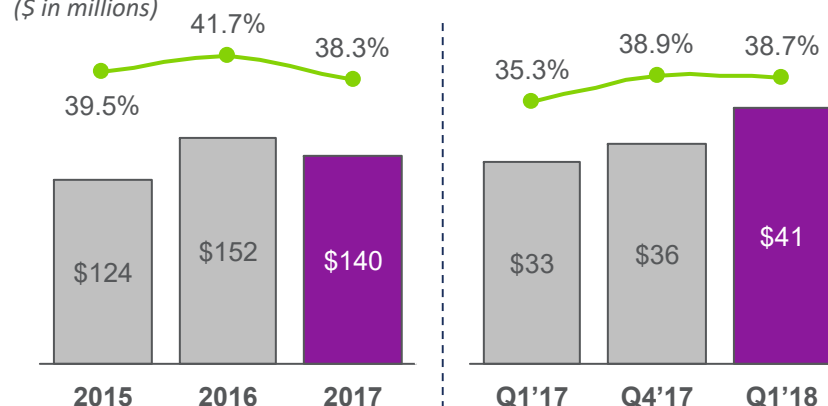
^^ "White Collar Crime Lawyer of the Year" in the U.S. by Lawyer Monthly (2017)

CONSULTING
THE PEOPLE • THE PROFESSION • THE LIFESTYLE

^^ Top 25 Consultants by Consulting Magazine (2016)

RBR & Segment Operating Profit Margin⁽¹⁾

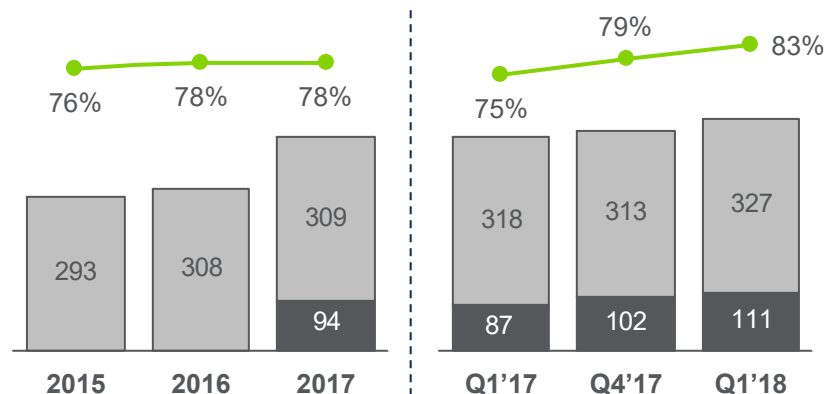
(\$ in millions)



Headcount & Utilization⁽¹⁾⁽²⁾

□ Average FTEs - Consulting

■ Average FTEs - TD&P



MARKET DEMAND DRIVERS



Changing regulatory requirements



Continued pace of financial crime and regulatory enforcement actions



Use of AI, robotics and machine learning in financial institutions



Shift from expansion of compliance organizations to right-sizing compliance spending



Ongoing expense pressure on financial institutions



Increase in merger and acquisition activity

... ALIGNED WITH OUR DEEP INDUSTRY EXPERTISE



END-TO-END SOLUTIONS

We are uniquely positioned to assist financial services organizations with end-to-end compliance solutions including strategy, operational, process and technological consulting, all the way through to business process management solutions.

INDUSTRY DEPTH

Navigant's team includes former prosecutors, regulators, policy makers and experts from the SEC, DOJ, FINRA, etc. who bring deep industry experience and specialized skills to help guide clients through compliance challenges.

CROSS-FUNCTIONAL APPROACH

Navigant provides process engineers, technology and data experts, and organizational design consultants. We form the right team to help you streamline processes and simplify operations while aligning with the overall goals of your business.



CASE STUDIES: HOW WE HELPED

COMPLIANCE, RISK AND CONTROLS

TOP THREE U.S. BANK

SITUATION: In response to an Internal Audit finding, a Top 3 Bank engaged Navigant to update and enhance their internal controls program to ensure compliance with Making Homes Affordable (MHA) guidelines.

SOLUTION: Navigant worked with the bank to centralize control testing across multiple RCSAs and business units, remap requirements to QA processes, and developing a Risk and Control Matrix to document risks, weigh probability and impact, inventory controls, describe test approach, and assign risk ratings.

RESULTS: As a result of the engagement, the bank was able to successfully centralize control testing across multiple units, review and assign "Action Plans" where required and provide knowledge and training to staff in order for them to be able to implement this exercise independently in future.

COMPLIANCE, RISK AND CONTROLS

MAJOR ITALIAN BANK

SITUATION: Navigant was engaged by a large Italian bank to conduct testing of its U.S. branch's AML/BSA/OFAC compliance program to facilitate a Government consent order.

SOLUTION: Navigant reviewed policies, procedures, and controls, and performed walkthroughs of pertinent systems and processes, such as CIP information. Additionally, Navigant conducted a staffing assessment, documented the branch's AML/BSA/OFAC compliance program and conducted a coverage assessment of the transaction monitoring system; reviewing its filters, rules, alert clearing process, and integration with the bank's systems.

RESULTS: Navigant continues to assist the bank through its efforts to enhance its AML/BSA/OFAC compliance program, including assisting with conducting the branch's risk assessment, a transaction monitoring systems upgrade, remediation of the independent testing results and a transaction lookback.

COMPLIANCE, RISK AND CONTROLS INTERNATIONAL FINANCIAL INSTITUTION

SITUATION: An international financial institution under regulatory scrutiny required assistance in managing risks associated with high risk products, clients and geographies.

SOLUTION: Navigant professionals performed a thorough AML compliance gap analysis to assist the financial institution in meeting regulatory requirements and expectations. Navigant was also asked to assess the AML audit program and, as a result, provided significant revisions and improvements, including redefining the laws, regulations, and applicable guidance and enhancing compliance controls and testing procedures.

RESULTS: The new AML compliance program and enhanced audit plan enabled the financial institution to self-identify and correct new AML issues in regulatory hot-button areas such as sanctions and trade finance

OPERATING SEGMENTS



HEALTHCARE

ENERGY

FSAC

DFLT

NAVIGANT DISPUTES, FORENSICS, AND LEGAL TECHNOLOGY

485+

Consulting Professionals

155+

Technology, Data & Process
(TD&P) Professionals

CONSULTING & ADVISORY

- Expert Testimony
- Damages Analysis
- Economics and Statistics
- Valuation and Finance
- Forensic Accounting
- Construction Project Advisory
- Cybersecurity

TD&P SOLUTIONS

- Data Advisory, Analytics and Management
- eDiscovery Processing and Hosting
- Insurance Claims Processing

DELIVERED TO



Law Firms



Fortune 500



Public
Accounting
Firms



Governments

In some of the world's most regulated & litigious industries

Clients
include



91%

of the AmLaw
Global 100

86%

of the Chambers
Global 30

RECENT AWARDS



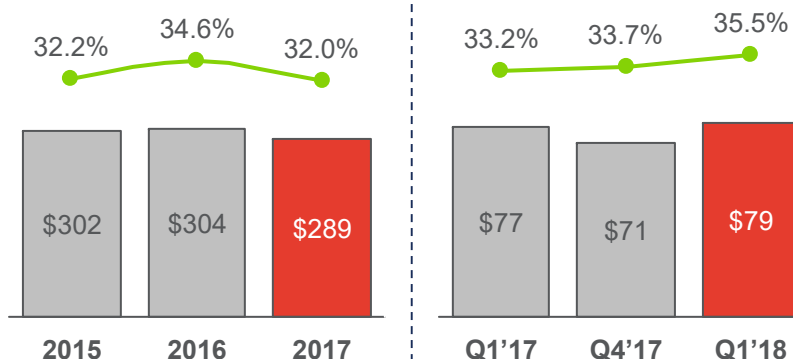
<< Construction Expert Witness Firm
of the Year (2017)

Navigant experts recognized 98 >>
times across 9 categories in 2017

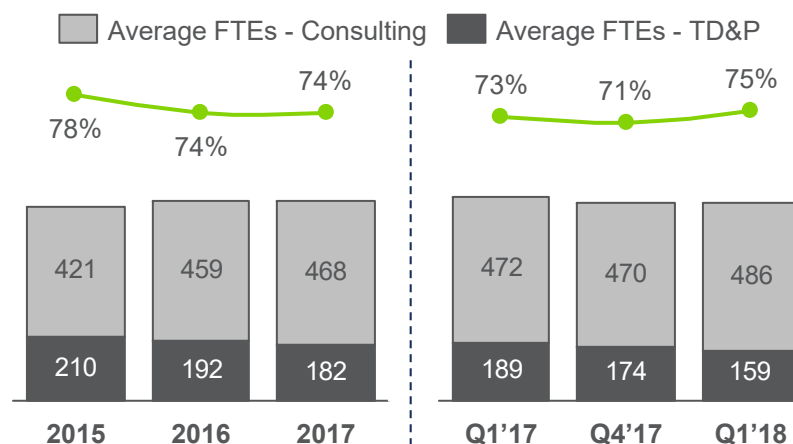


RBR & Segment Operating Profit Margin⁽¹⁾⁽³⁾

(\$ in millions)



Headcount & Utilization⁽¹⁾⁽²⁾⁽³⁾



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MARKET DEMAND DRIVERS



Demand outstrips supply for top experts



Increasing corporate transaction activity creates opportunities for merger, compliance and litigation



Increase in regulation and enforcement



Globalization increasing frequency and complexity of cross-border disputes

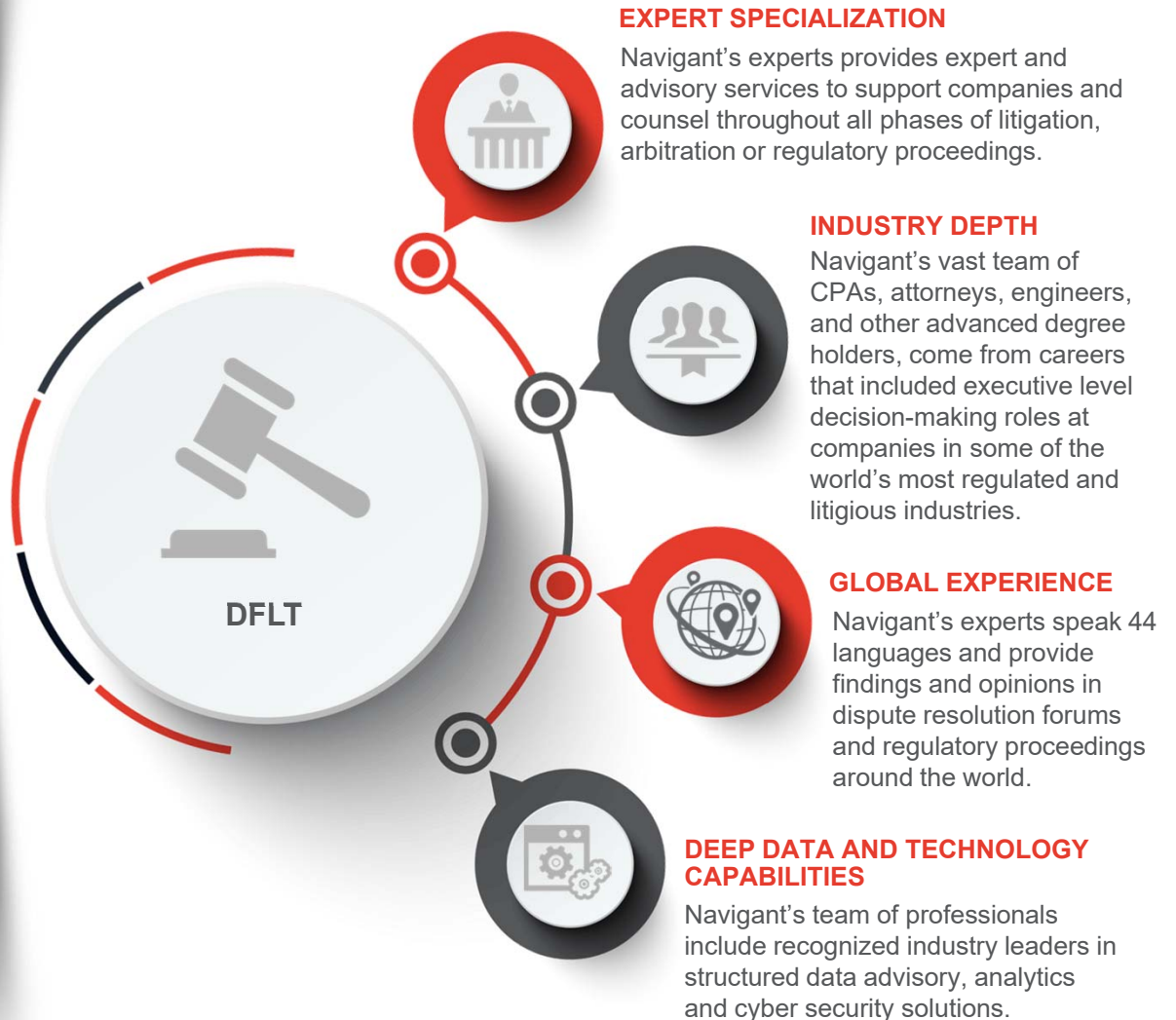


Rapid evolution of technology and increased demand for information security and data proliferation



Infrastructure development

... ALIGNED WITH OUR DEEP INDUSTRY EXPERTISE



CASE STUDIES: HOW WE HELPED



EXPERT TESTIMONY

DAMAGES ANALYSIS FOR ENERGY COMPANY



SITUATION: Our client, a major US energy company, needed to quantify economic damages in a natural gas contract dispute.

SOLUTION: Navigant developed economic damages theories and quantified past and future economic damages. Navigant then provided expert testimony in support of these subject areas.

RESULTS: The AAA Arbitration panel awarded the plaintiff approximately \$400 million in damages, which was supported by Navigant's expert testimony

COMMERCIAL DISPUTES

LARGE CONSTRUCTION DISPUTE IN EMEA



SITUATION: Our client, a joint venture of four contractors, won the construction contract for a large, public transit project. Navigant was appointed as an expert advisor to consider the valuation of disputed change orders and determine entitlement to additional payment arising from prolongation, disruption and acceleration. Contentious issues related to the proper valuation of very significant variations, as well as complex entitlement issues, included issues related to delay, disruption and acceleration.

SOLUTION: Our team of experts provided a robust valuation and detailed risk analysis in a short timeframe, which enabled the client to arrive at an early settlement and avoid a very costly arbitration. To date, this is still one of the largest disputes by value ever in the region.

ECONOMIC ANALYSIS

DAMGES ANALYSIS FOR TELECOM COMPANY



SITUATION: Our client required analysis of damages owed to them in a breach of license case concerning software on mobile phones.

SOLUTION: Absorbing data sourced from twenty countries, Navigant analyzed millions of document pages, many in foreign languages, in order to assess the facts, calculate license fees and determine the unpaid royalties due.

RESULTS: Our client received a substantial settlement amount close to the figure calculated by our team.



FINANCIAL PERFORMANCE & OUTLOOK

NAVIGANT

Q1 2018 SNAPSHOT

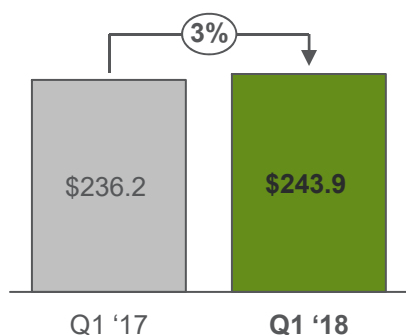
FINANCIAL PERFORMANCE



Q1 2018 Consolidated Results ⁽¹⁾

(\$ in millions)

RBR



Adj. EBITDA

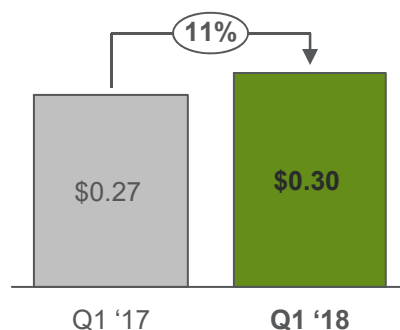


(\$/share)

GAAP EPS (Diluted)



Adj. EPS



(1) See definition and reconciliation of any non-GAAP measures, see the Appendix or investors.navigant.com

RBR up \$7.7 million year-over-year

- Improved performance in FSAC, DFLT and Energy – including record RBR in FSAC
- As expected, demand softness continued in Healthcare

Adjusted EBITDA down \$1.6 million year-over-year

- Higher revenue offset by maintenance of resources in Healthcare consulting, increased headcount in Healthcare managed services and higher bad debt expense in current year period

EPS benefited from lower D&A, lower corporate tax rates

Repurchased \$11.4 million of shares in the quarter

Reaffirmed 2018 guidance

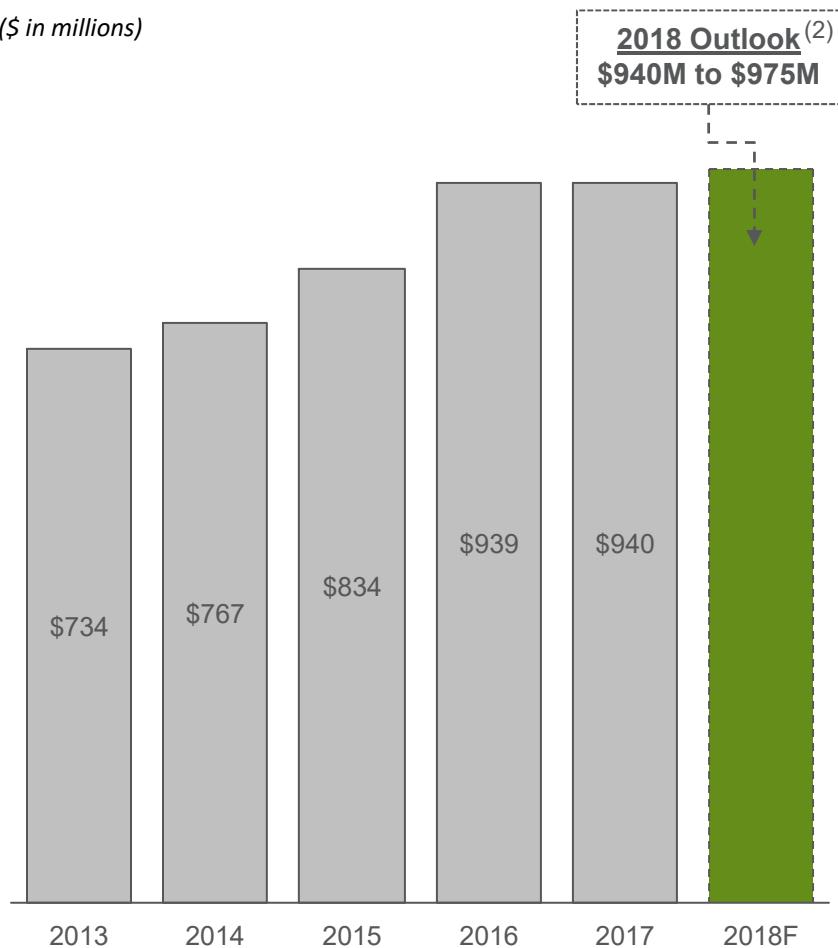
STEADY TOP-LINE GROWTH

2013 - 2018 GUIDANCE

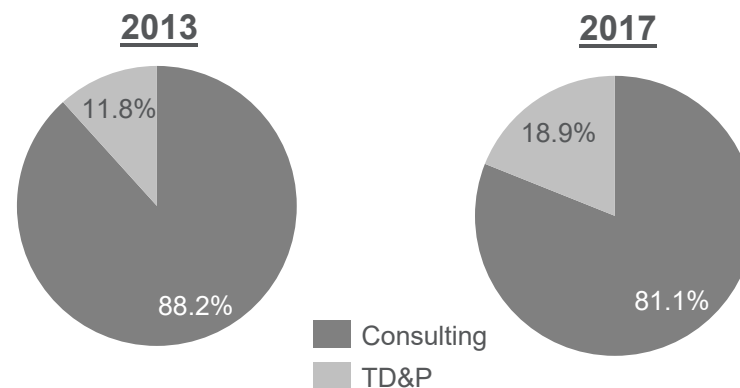


RBR

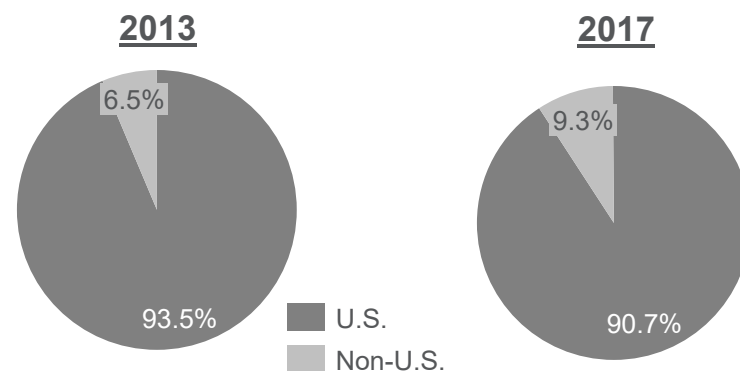
(\$ in millions)



RBR by Service Type⁽¹⁾



RBR by Geography



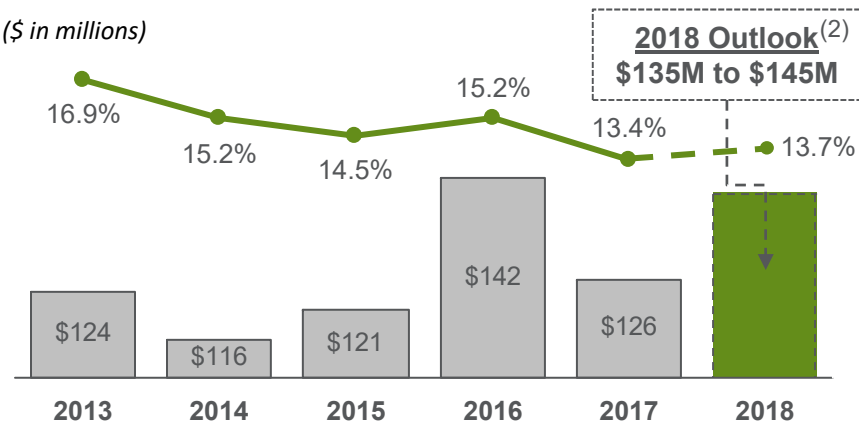
SOLID EARNINGS GENERATING STRONG CASH FLOW

2013 - 2018 GUIDANCE



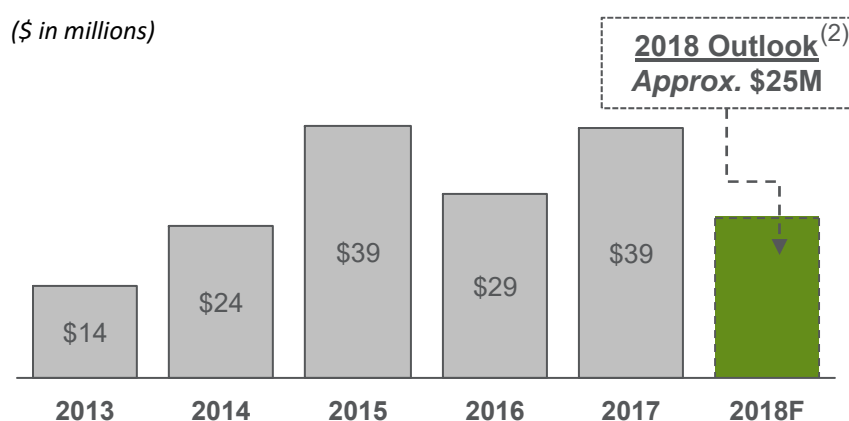
Adjusted EBITDA & Margin⁽¹⁾

(\$ in millions)



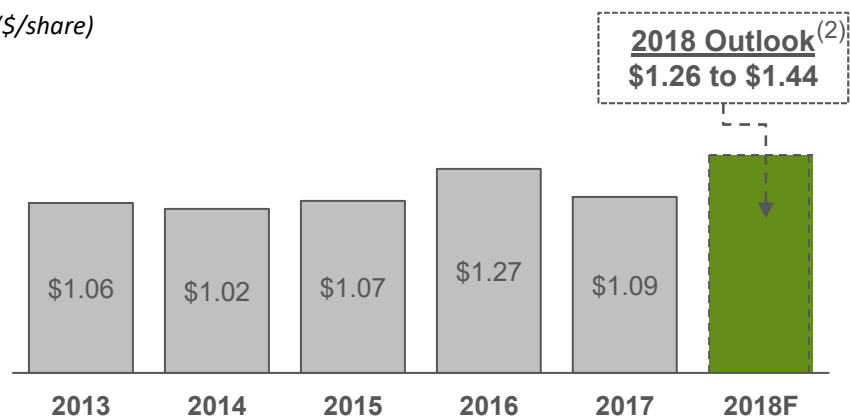
Capital Expenditures

(\$ in millions)



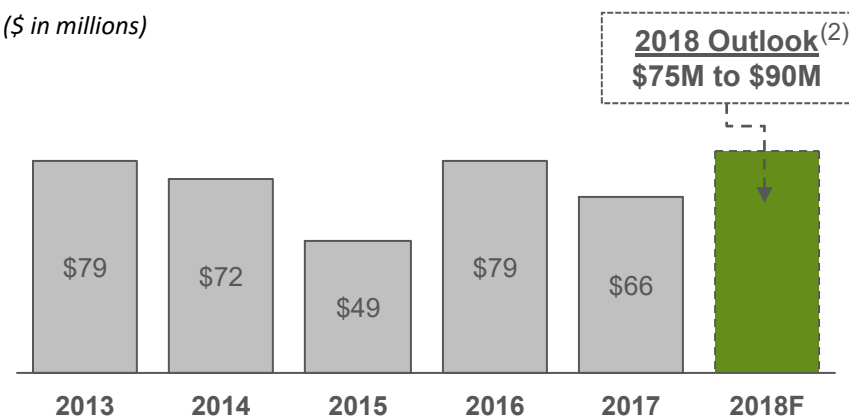
Adjusted EPS⁽¹⁾

(\$/share)



Free Cash Flow (FCF)⁽¹⁾

(\$ in millions)

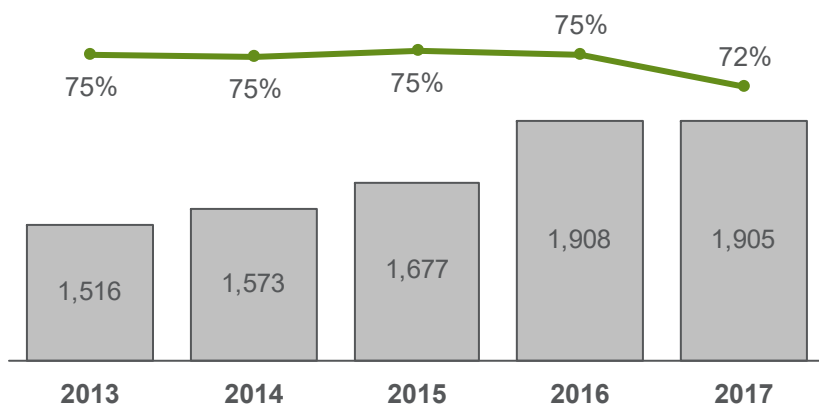


OPERATING METRICS

2013 - 2017

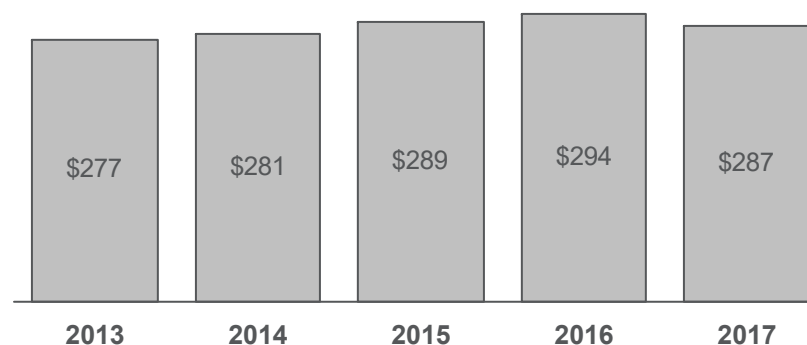


Period End Consulting FTEs & Utilization⁽¹⁾



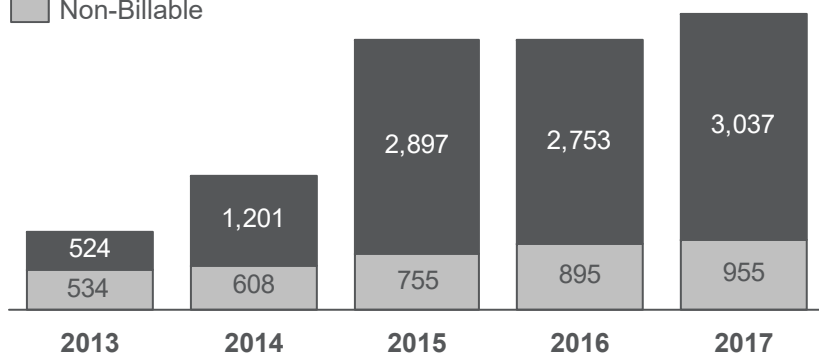
Average Bill Rate⁽¹⁾

(\$ per hour)



Period End Non-Consulting FTEs⁽¹⁾

Technology, Data & Process
Non-Billable



STRONG BALANCE SHEET SUPPORTING INCREASED SHARE REPURCHASES

2013 – YTD 2018



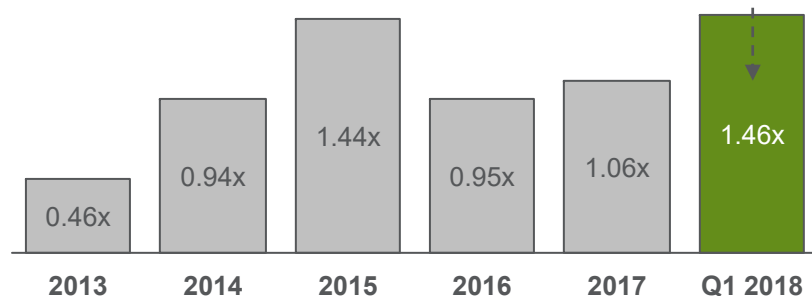
Selected Summary Financial Data⁽¹⁾

| | For the period ended | |
|--|----------------------|----------------------|
| | March 31, 2018 | December 31, 2017 |
| Cash and cash equivalents | \$ 7 | \$ 8 |
| Undrawn credit facility ⁽²⁾ | \$ 212 | \$ 263 |
| Total Liquidity | <u>\$ 219</u> | <u>\$ 271</u> |
| Account Receivable | \$ 289 | \$ 268 |
| Total Debt | \$ 184 | \$ 133 |
| Days Sales Outstanding (DSO) | 91 | 85 |

Leverage Ratio⁽¹⁾

(\$ in millions)

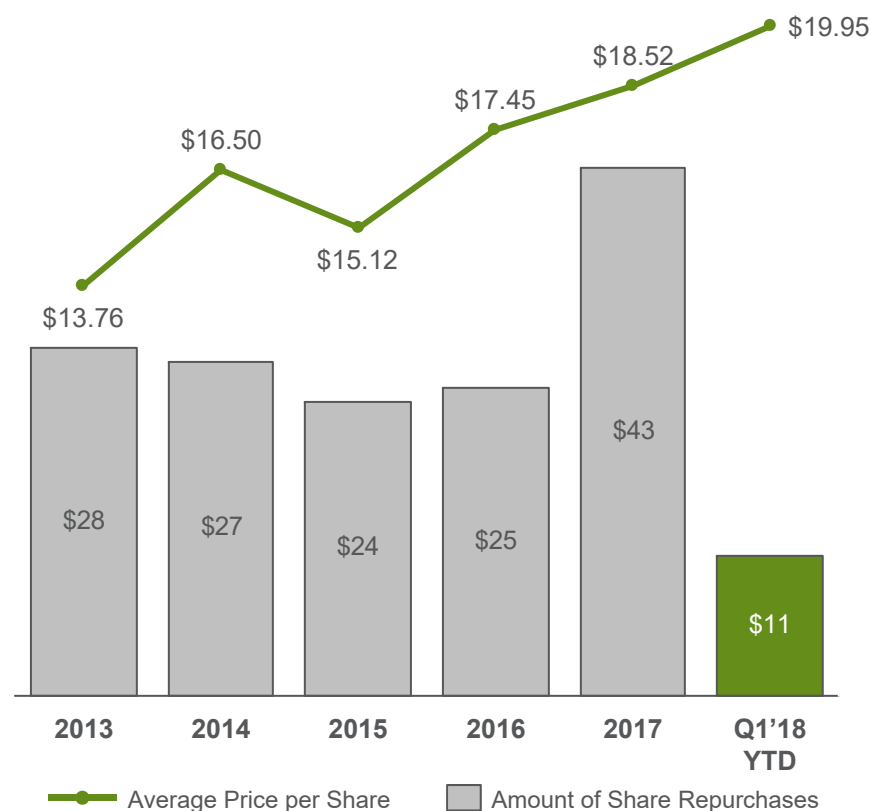
Historically, Q1 is seasonal high point



Share Repurchases⁽¹⁾

(\$ in millions, except per share data)

Targeting at least \$50 million for 2018⁽³⁾



APPENDIX



PRESENTATION & DEFINITIONS

PRESENTATION

During the quarter ended March 31, 2018, we moved our life sciences regulatory and compliance related business from the Disputes, Forensics and Legal Technology reporting segment into our Healthcare segment. All prior period information has been restated to conform to current period presentation.

DEFINITIONS

- **Adjusted EBITDA, Adjusted Net Income and Adjusted Earnings per Share (EPS)** Adjusted EBITDA is EBITDA – earnings from continuing operations before interest, taxes, depreciation, and amortization – excluding the impact of severance expense and other operating costs (benefit), as applicable. Adjusted Net Income and Adjusted Earnings per Share exclude the net income and per share net income impact of severance expense, other operating costs (benefit), and the benefit recognized in the fourth quarter 2017 related to the 2017 Tax Cuts and Jobs Act, as applicable. Severance expense and other operating costs (benefit) are not considered to be non-recurring, infrequent or unusual to our business. Management believes that these non-GAAP financial measures provide investors with enhanced comparability of Navigant's results of operations across periods.
- **Free Cash Flow** is calculated as net cash provided by (used in) operations excluding the change in asset, liabilities and allowance for doubtful accounts less cash payment for property, equipment and deferred acquisition liabilities. Free Cash Flow does not represent cash available for spending as it excludes certain contractual obligations such as debt repayment. However, management believes that Free Cash Flow provides investors with an indicator of cash available for on-going business operations and long-term value creation.
- **Leverage Ratio** is calculated as bank debt at the end of the period divided by adjusted EBITDA for the prior twelve-month period. Management believes that leverage provides investors with an indicator of the cash flows available to repay the Company's debt obligations.
- **Period End FTE** is headcount at the end of the period adjusted for part-time status. Period End FTE is further split between the following categories:
 - **Client-Service FTE** - combination of Consulting FTE and Technology, Data & Process FTE defined as follows:
 - **Consulting FTE** - individuals assigned to client services who record time to client engagements; and
 - **Technology, Data & Process FTE** - individuals in technology enabled professional services, including business process management services and data analytics, legal technology solutions and data services and insurance claims processing, market research and benchmarking. These FTEs are not included in Average Bill Rate and Average Utilization Rate metrics
 - **Non-billable FTE** - individuals assigned to administrative and support functions, including office services, corporate functions and certain practice support functions.
- **Average Bill Rate** is calculated by dividing fee revenues before certain adjustments such as discounts and markups, by the number of hours associated with the fee revenues. Fee revenues and hours billed on performance-based services and those related to Technology, Data & Process FTE are excluded from average bill rate.
- **Average Utilization Rate** is calculated by dividing the number of hours of our Consulting FTE who recorded time to client engagements during a period by the total available working hours for these consultants during the same period (1,850 hours annually). Hours related to Technology, Data & Process FTE are excluded from average utilization rate.

NON-GAAP RECONCILIATIONS (1 OF 3)



| EBITDA AND ADJUSTED EBITDA (1)(2) | | | | | | | |
|---|------------------|------------------|------------------|------------------|------------------|-------------------|-------------------|
| | 2018 | 2017 | | | | 2017 | 2016 |
| All numbers in thousands except ratios and percentages | Q1 | Q4 | Q3 | Q2 | Q1 | Full Year | Full Year |
| Net income | \$ 11,853 | \$ 43,120 | \$ 11,939 | \$ 8,797 | \$ 11,096 | \$ 74,952 | \$ 58,098 |
| Interest expense | 1,316 | 1,254 | 1,367 | 1,280 | 1,069 | 4,970 | 5,235 |
| Interest income | (119) | (109) | (124) | (81) | (31) | (345) | (141) |
| Other income, net | 390 | 430 | 104 | 602 | (217) | 919 | (1,769) |
| Income tax expense | 4,987 | (22,070) | 6,891 | 4,148 | 6,660 | (4,371) | 35,313 |
| Depreciation expense | 6,845 | 6,785 | 6,742 | 7,826 | 7,473 | 28,826 | 27,742 |
| Accelerated depreciation - office consolidation (included in other operating costs - office consolidation, net) | - | 101 | - | - | - | 101 | 33 |
| Amortization expense | 1,856 | 2,247 | 2,175 | 2,219 | 2,319 | 8,960 | 11,507 |
| EBITDA | 27,128 | 31,758 | 29,094 | 24,791 | 28,369 | 114,012 | 136,018 |
| Add: | | | | | | | |
| Severance expense | 1,799 | 380 | 1,156 | 4,385 | 1,786 | 7,707 | 4,433 |
| Other operating costs: | | | | | | | |
| Contingent acquisition liability adjustments, net | - | - | 1,014 | - | 1,199 | 2,213 | 1,330 |
| Other costs | 983 | 179 | 1,620 | - | 107 | 1,906 | 509 |
| Adjusted EBITDA | 29,910 | 32,317 | 32,884 | 29,176 | 31,461 | 125,838 | 142,290 |
| General and administrative expenses | 44,362 | 39,532 | 44,180 | 41,726 | 41,484 | 166,922 | 168,954 |
| Long term compensation expense related to client-service personnel (including share-based compensation) | 2,584 | 1,819 | 2,298 | 3,851 | 3,286 | 11,254 | 13,138 |
| Severance expense added above | (1,799) | (380) | (1,156) | (4,385) | (1,786) | (7,707) | (4,433) |
| Total Segment Operating Profit | \$ 75,057 | \$ 73,288 | \$ 78,206 | \$ 70,368 | \$ 74,445 | \$ 296,307 | \$ 319,949 |
| FREE CASH FLOW (1)(2) | | | | | | | |
| Net cash provided by (used in) operating activities | \$ (34,847) | \$ 70,716 | \$ 35,175 | \$ 21,305 | \$ (22,961) | \$ 104,235 | \$ 110,027 |
| Changes in assets and liabilities | 63,883 | (36,761) | (5,952) | 10,807 | 50,064 | 18,158 | 8,223 |
| Allowance for doubtful accounts receivable | (3,130) | (1,411) | (5,169) | (1,171) | (4) | (7,755) | (8,815) |
| Purchases of property and equipment | (5,750) | (7,921) | (9,840) | (7,100) | (13,789) | (38,650) | (28,665) |
| Payments of acquisition liabilities | - | - | - | - | - | - | (1,165) |
| Payments of contingent acquisition liabilities | (80) | - | - | (10,330) | - | (10,330) | (828) |
| Free Cash Flow | \$ 20,076 | \$ 24,623 | \$ 14,214 | \$ 13,511 | \$ 13,310 | \$ 65,658 | \$ 78,777 |
| LEVERAGE RATIO (1)(2) | | | | | | | |
| Adjusted EBITDA for prior twelve-month period | \$ 124,287 | \$ 125,838 | \$ 128,291 | \$ 135,214 | \$ 143,190 | \$ 125,838 | \$ 142,290 |
| Bank debt | 184,327 | 132,944 | 176,723 | 184,787 | 178,336 | 132,944 | 135,030 |
| Leverage ratio | 1.48 | 1.06 | 1.38 | 1.37 | 1.25 | 1.06 | 0.95 |



NON-GAAP RECONCILIATIONS (2 OF 3)

| ADJUSTED NET INCOME AND ADJUSTED EARNINGS PER SHARE (1)(2) | | | | | | | |
|---|-----------|-------------|-----------|-----------|-----------|-------------|-----------|
| | 2018 | 2017 | | | | 2017 | 2016 |
| | Q1 | Q4 | Q3 | Q2 | Q1 | Full Year | Full Year |
| All numbers in thousands except per share data | | | | | | | |
| Shares used in computing adjusted per diluted share data | 46,834 | 47,223 | 48,017 | 48,696 | 48,969 | 48,226 | 48,813 |
| Severance expense | \$ 1,799 | \$ 380 | \$ 1,156 | \$ 4,385 | \$ 1,786 | \$ 7,707 | \$ 4,433 |
| Income tax benefit (3) | (480) | (140) | (449) | (1,730) | (656) | (2,975) | (1,622) |
| Tax-effected impact of severance expense | \$ 1,319 | \$ 240 | \$ 707 | \$ 2,655 | \$ 1,130 | \$ 4,732 | \$ 2,811 |
| Diluted earnings per share impact of severance expense | \$ 0.03 | \$ 0.01 | \$ 0.01 | \$ 0.05 | \$ 0.02 | \$ 0.10 | \$ 0.06 |
| Other operating costs - contingent acquisition liability adjustment, net | \$ - | \$ - | \$ 1,014 | \$ - | \$ 1,199 | \$ 2,213 | \$ 1,330 |
| Income tax benefit (3) | - | - | (407) | - | (481) | (888) | (534) |
| Tax-effected impact of other operating costs - contingent acquisition liability adjustment, net | \$ - | \$ - | \$ 607 | \$ - | \$ 718 | \$ 1,325 | \$ 796 |
| Diluted earnings per share impact of other operating costs - contingent acquisition liability adjustment, net | \$ - | \$ - | \$ 0.01 | \$ - | \$ 0.01 | \$ 0.03 | \$ 0.02 |
| Other operating costs - other costs | \$ 983 | \$ 280 | \$ 1,620 | \$ - | \$ 107 | \$ 2,007 | \$ 542 |
| Income tax benefit(3) | (268) | (112) | (650) | - | (43) | (805) | (217) |
| Tax-effected impact of other operating costs - other costs | \$ 715 | \$ 168 | \$ 970 | \$ - | \$ 64 | \$ 1,202 | \$ 325 |
| Diluted earnings per share impact of other operating costs - other costs | \$ 0.02 | \$ - | \$ 0.02 | \$ - | \$ - | \$ 0.02 | \$ - |
| Impact of 2017 Tax Cuts and Jobs Act ("Tax Reform")(4) | \$ - | \$ (29,691) | \$ - | \$ - | \$ - | \$ (29,691) | \$ - |
| Diluted earnings per share impact of 2017 Tax Cuts and Jobs Act ("Tax Reform")(4) | \$ - | \$ (0.63) | \$ - | \$ - | \$ - | \$ (0.63) | \$ - |
| Net Income | \$ 11,853 | \$ 43,120 | \$ 11,939 | \$ 8,797 | \$ 11,096 | \$ 74,952 | \$ 58,098 |
| Tax-effected impact of severance expense | 1,319 | 240 | 707 | 2,655 | 1,130 | 4,732 | 2,811 |
| Tax-effected impact of other operating costs - contingent acquisition liability adjustment, net | - | - | 607 | - | 718 | 1,325 | 796 |
| Tax-effected impact of other operating costs - other costs | 715 | 168 | 970 | - | 64 | 1,202 | 325 |
| Impact of 2017 Tax Cuts and Jobs Act ("Tax Reform")(4) | - | (29,691) | - | - | - | (29,691) | - |
| Adjusted net income | \$ 13,887 | \$ 13,837 | \$ 14,223 | \$ 11,452 | \$ 13,008 | \$ 52,520 | \$ 62,030 |
| Adjusted earnings per share | \$ 0.30 | \$ 0.29 | \$ 0.30 | \$ 0.24 | \$ 0.27 | \$ 1.09 | \$ 1.27 |



NON-GAAP RECONCILIATIONS (3 OF 3)

***TOTALS MAY NOT SUM DUE TO ROUNDING DIFFERENCES**

(1) This supplemental information is reported on a continuing operations basis unless otherwise noted.

(2) Non-GAAP Financial Information

This supplemental information includes certain non-GAAP financial measures as defined by the Securities and Exchange Commission. All non-GAAP financial measures are presented on a continuing operations basis. Reconciliations of these non-GAAP financial measures to the most directly comparable financial measure calculated and presented in accordance with generally accepted accounting principles (GAAP) have been provided. This information should be considered as supplemental in nature and not as a substitute for, or superior to, any measure of performance prepared in accordance with GAAP. Management uses these non-GAAP financial measures in addition to GAAP financial measures to assess the Company's operations and financial results and believes they are useful indicators of operating performance and the Company's ability to generate cash flows from operations that are available for interest, debt service, taxes and capital expenditures. Investors should recognize that these non-GAAP financial measures may not be comparable to similarly-titled measures of other companies.

(3) Effective income tax (benefit) has been determined based on specific tax jurisdiction.

(4) In Q4 2017, we recorded adjustments to our deferred income tax liabilities related to the impact of 2017 Tax Reform that resulted in an income tax benefit.