

NAVIGANT CONSULTING INC
Form 10-K
February 28, 2019

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2018

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF
1934
Commission File No. 1-12173

Navigant Consulting, Inc.

(Exact name of Registrant as specified in its charter)

Delaware 36-4094854
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)

150 North Riverside Plaza, Suite 2100, Chicago, Illinois 60606

(Address of principal executive offices, including zip code)

(312) 573-5600

(Registrant's telephone number, including area code)

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

Title of Each Class	Name of Each Exchange on Which Registered
Common Stock, par value \$0.001 per share	New York Stock Exchange

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

None

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

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days. YES NO

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

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

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

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

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

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

As of February 22, 2019, 40,519,796 shares of the registrant's common stock, par value \$0.001 per share (Common Stock), were outstanding. The aggregate market value of shares of the Common Stock held by non-affiliates, based upon the closing sale price per share of the Common Stock on the New York Stock Exchange on June 30, 2018, was approximately \$980.3 million.

DOCUMENTS INCORPORATED BY REFERENCE

Certain information from the registrant's definitive Proxy Statement for its Annual Meeting of Shareholders is incorporated by reference into Part III of this report. The registrant intends to file the Proxy Statement with the Securities and Exchange Commission within 120 days of December 31, 2018.

NAVIGANT CONSULTING, INC. AND SUBSIDIARIES

FORM 10-K

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

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Forward-Looking Statements

Statements included in this report which are not historical in nature are “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. Forward-looking statements may generally be identified by words such as “anticipate,” “believe,” “may,” “should,” “could,” “intend,” “estimate,” “expect,” “likely,” “continue,” “plan,” “project,” “outlook” and similar expressions. These statements are based upon management’s current expectations and speak only as of the date of this report. The Company cautions readers that there may be events in the future that the Company is not able to accurately predict or control and the information contained in the forward-looking statements is inherently uncertain and subject to a number of risks that could cause actual results to differ materially from those contained in or implied by the forward-looking statements including, without limitation: the risk of unanticipated costs, liabilities or an adverse impact on the Company’s business operations arising from the Company’s provision of post-divestiture transition services and support in connection with the sale of the Company’s Disputes, Forensics and Legal Technology segment and the transaction advisory services practice within the Company’s Financial Services Advisory and Compliance segment; the execution of the Company’s long-term growth objectives and margin improvement initiatives; risks inherent in international operations, including foreign currency fluctuations; ability to make acquisitions and divestitures and complete such acquisitions and divestitures in the time anticipated; pace, timing and integration of acquisitions; operational risks associated with new or expanded service areas, including business process management services; impairments; changes in accounting standards or tax rates, laws or regulations; management of professional staff, including dependence on key personnel, recruiting, retention, attrition and the ability to successfully integrate new consultants into the Company’s practices; utilization rates; conflicts of interest; potential loss of clients or large engagements and the Company’s ability to attract new business; brand equity; competition; accurate pricing of engagements, particularly fixed fee and multi-year engagements; clients’ financial condition and their ability to make payments to the Company; risks inherent with litigation; higher risk client assignments; government contracting; professional liability; information security; the adequacy of our business, financial and information systems and technology; maintenance of effective internal controls; potential legislative and regulatory changes; continued and sufficient access to capital; compliance with covenants in our credit agreement; interest rate risk; and market and general economic and political conditions. Further information on these and other potential factors that could affect the Company’s business and financial condition and the results of operations are included under the “Risk Factors” section of this report. The Company cannot guarantee any future results, levels of activity, performance or achievement and undertakes no obligation to update any of its forward-looking statements.

PART I

Item 1. Business.

Navigant Consulting, Inc. (“Navigant,” “we,” “us,” or “our”) (NYSE: NCI) is a specialized, global professional services firm that helps clients take control of their future. Navigant’s professionals apply deep industry knowledge, substantive technical expertise, and an enterprising approach to help clients build, manage, and/or protect their business interests. With a focus on markets and clients facing transformational change and significant regulatory or legal pressures, Navigant primarily serves clients in the healthcare, energy, and financial services industries. Across a range of advisory, consulting, outsourcing, and technology/analytics services, we believe our practitioners bring sharp insight that pinpoints opportunities and delivers powerful results.

We are a Delaware corporation incorporated in 1996 and headquartered in Chicago, Illinois. Our executive office is located at 150 North Riverside Plaza, Suite 2100, Chicago, Illinois 60606. Our telephone number is (312) 573-5600. Our common stock is traded on the New York Stock Exchange under the symbol “NCI.”

General Development of the Business

Our business is organized in three reporting segments — Healthcare, Energy, and Financial Services Advisory and Compliance. Within these reporting segments, we deliver consulting and advisory services and also provide technology-based solutions, data hosting and processing, and business process management services (which we refer to as Technology, Data & Process services herein) to the respective industries underlying these reporting segments. We conduct business globally in certain areas across our reporting segments and are strategically focused on offering services to clients facing transformational change and significant regulatory or legal pressures. Since our inception, we have grown through selective acquisitions of businesses (which we consider inorganic growth), recruitment of employees (which we consider organic growth) and investments in technology to complement our consulting skills and enhance our service offerings. These investments have enhanced or expanded existing expertise, added new services, broadened our geographic reach, and enhanced our market share.

On August 24, 2018, we completed the previously announced sale of our former Disputes, Forensics and Legal Technology segment and the transaction advisory services practice within our Financial Services Advisory and Compliance segment (collectively, “SaleCo”) to Ankura Consulting Group, LLC (“Ankura”). The sale represented a strategic shift in our services and in accordance with the applicable guidance, the results from operations of SaleCo have been classified as discontinued operations for all periods presented.

Our Healthcare segment provides consulting services and business process management services. Clients of this segment include healthcare providers, payers and life sciences companies. This segment has grown through a combination of strategic acquisitions, joint ventures and recruitment of senior hires. Our recruiting efforts within this segment have been focused on building multi-functional globalized consulting teams that allow us to help our clients respond to the most significant issues impacting the healthcare industry today. Our suite of healthcare consulting services include strategy, physician enterprise, revenue cycle, operational and performance improvement, regulatory and compliance, and product planning and commercialization. In 2014 and 2015 we established our healthcare business process management services through the acquisitions of Cymetrix Corporation and RevenueMed, Inc. In 2018, to further grow our business process management services we launched a revenue-cycle business process management services joint venture, Health Systems Solutions (“HSS”), with Baptist Health South Florida. We have a 60% financial and controlling interest in HSS and as such we fully consolidate its operations. We believe that our business process management solutions and consulting expertise offers health systems and other providers with end-to-end solutions, a significant depth of industry knowledge, collaboration and integration and, with the increase in size, we provide scalability and leading capabilities.

Our Energy segment’s professionals provide full lifecycle solutions that help clients transform their businesses in a rapidly changing energy environment, manage complexity, accelerate operational performance, meet compliance

requirements and transform their organizations and systems. Clients of this segment include utility and energy companies, government and nongovernmental organizations, large corporations, product manufacturers, and investors. The segment has grown through a combination of investments in hiring, solution development and acquisitions. These investments have expanded our operations in key markets and geographies and over time have broadened our service offerings to more effectively help our clients respond to and capitalize on the global transformation occurring within the energy sector. We have also grown our benchmarking, data, and research services which now enable us to offer a broad array of market research capabilities (included within our Technology, Data & Process services). Additionally, our November 2016 acquisition of Ecofys Investments B.V. (“Ecofys”), an international consulting firm specializing in renewable energy and sustainability, now operating under the Navigant name, has provided us with a European platform to augment our capabilities in energy policy, climate strategies, energy systems and markets, urban energy, and sustainability services.

Our Financial Services Advisory and Compliance segment provides strategic, operational, risk management, investigative and compliance advisory services to clients primarily in the highly-regulated financial services industry, including major financial and insurance institutions. This segment also provides anti-corruption solutions and anti-money laundering consulting, litigation support and tax compliance services to clients in a broad variety of industries. From time to time, clients seek the services of this segment to perform large scale, compliance-oriented engagements. The strategic, operational and risk management services within this segment have largely developed over time through the recruitment of senior hires. Senior hiring remains a key strategy to drive future growth for this segment. We have also developed technology tools that enable our professionals to more efficiently identify compliance risks and streamline operational activities for our clients. In 2018, we expanded our client offerings to include managed services activities for our financial services clients.

We maintain international operations across our reporting segments. We have continued to build our international footprint to facilitate and expand our service offerings to clients outside of the United States (“U.S.”). As global demand for our services has increased, we have established international offices to provide our clients with on-the-ground resources in Europe, the Middle East, and Asia through hiring and acquisitions.

We continue to invest in technology, data and analytics infrastructure, including machine intelligence and robotics process automation abilities, to support our evolving and expanding technology-based service offerings, and to allow us to deliver more scalable solutions to meet the changing demands of our clients.

We have supplemented these technology investments with employee-related initiatives to promote innovation and collaboration. In addition, we have invested in development programs for our client-service professionals designed to improve sales effectiveness and collaboration across the organization as well as with our clients and business partners. We have also focused on other aspects of employee development, including talent management and mentoring programs. Collectively, these innovation, collaboration, development and sales initiatives are intended to contribute to the professional development of our employees while enhancing our ability to grow the business organically.

Human Capital Resources

At December 31, 2018, we had 5,952 full-time equivalent (“FTE”) employees. These FTEs were comprised of the following:

• Client-service employees (“Client-Service FTE”) (related costs for these employees are recorded as cost of services before reimbursements):

◦ 1,427 consulting employees (“Consulting FTE”) in businesses that deliver professional services. These individuals record time to client engagements.

◦ 3,630 Technology, Data & Process employees (“Technology, Data & Process FTE”) in businesses that are comprised of technology-enabled professional services, including data analytics, business process management services, technology solutions, market research and benchmarking. Of these 3,630 employees, 606 are employees of HSS. While some of these individuals may record time to client engagements (in professional services engagements), many do not record time to specific engagements. Revenue generated by FTEs working on these engagements is generally recognized on a per unit basis. 1,627 of these Technology, Data & Process FTEs were based in India.

• Non-billable employees (“Non-billable FTE”):

◦ 895 non-billable employees are assigned to administrative and support functions, including office services, corporate functions, centralized analytics and certain cross-practice support functions. The majority of costs related to these employees is recorded in general and administrative expense. Certain costs relating to a central analytics team based in India are allocated to cost of services before reimbursements. During the year ended December 31, 2017, we centralized resources previously organized as separate practice functions and leveraged our lower cost India footprint for certain activities. In 2018, 329 of these Non-billable FTEs were based in India.

We also had 212 FTE project employees who perform client services on a contractual basis. Project employee levels vary from period to period based on staffing and resource requirements. The majority of costs related to these employees is recorded in cost of services before reimbursements.

Our revenues are primarily generated from services performed by our client-service employees. As a result, our success depends in large part on attracting, retaining and motivating talented, creative and experienced client-service employees at all levels and across various geographies. We employ internal recruiters, retain executive search firms, and utilize personal and business contacts. Our client-service employees are drawn from a variety of sources, including the industries we serve, accounting and other consulting organizations, and top-rated colleges and universities. Our client-service employees include, but are not limited to, PhDs, MDs, MBAs, JDs, CPAs, CFEs (certified fraud examiners), engineers, nurses and former government officials.

We continue to develop and grow our Technology, Data, & Process services through adding employees to support the businesses using these services. We recruit, retain, and manage many of our Technology, Data & Process employees differently from our consulting employees. For example, in our business process management services, we add Technology, Data & Process employees through traditional recruitment, by transitioning client employees to become Navigant employees, and by subcontracting services from our clients. Our demand for these resources may fluctuate depending on our clients' needs and our ability to more efficiently perform our services by utilizing technology resources. By managing these employees with our processes, centralizing their functions in our business centers, and leveraging proprietary technology to enable work streams, we are able to more efficiently and effectively deliver services. We leverage our Technology, Data and Process employees in our business centers not only to help us better manage our employees across work streams and projects but also to create opportunities for these employees to develop professionally by exposing them to new service areas and possibilities for promotion within the management teams at these locations.

We seek to retain our employees by offering competitive compensation packages including base and incentive compensation (and in certain instances share-based compensation and retention incentives), attractive benefits and rewarding careers. We periodically review and adjust, if needed, our employees' total compensation (including salaries, annual cash incentive compensation, other cash and equity incentives, and benefits) to ensure that it is competitive within the industry and is consistent with our level of performance. In addition to compensation, we promote numerous charitable, philanthropic, and social awareness programs that not only support our community, but also provide experiences for our employees to promote a collaborative and rewarding work environment.

We regularly evaluate employees and their productivity against future demand expectations and historical trends. From time to time, we may reduce or add resources in certain areas in an effort to align with changing demands. We may utilize project employees and engage independent contractors on certain engagements, which allow us to quickly adjust staffing in response to changing demand for our services. During the year ended December 31, 2018, we utilized 109 independent contractors under retainer agreements to provide services to our clients.

In connection with recruiting activities and business acquisitions, our general policy is to obtain non-solicitation covenants from senior and some mid-level employees. Most of these covenants have restrictions that extend 12 months or more beyond the termination of employment. We utilize these contractual agreements and other agreements to protect our business interests, which can also reduce the risk of attrition and provide stability to our existing clients, staff and projects.

In our consulting businesses, our bill rates or fees charged to clients are tiered in accordance with the experience and position of our employees staffed on each matter. We monitor and adjust those bill rates or fees according to then-current market conditions for our service offerings and within the various industries we serve. Similarly, pricing for our Technology, Data, & Process services is based upon the complexity of services delivered and markets served.

Competition

The market for our services is highly competitive, highly fragmented and subject to rapid change. The market includes a large number of participants with a variety of skills and industry expertise, including general management and information technology consulting firms, strategy firms, global accounting firms, business process and technology

solution providers and other local, boutique, regional, national and international consulting firms. Many of these companies are international in scope and have larger teams of personnel and greater financial, technical and marketing resources than we do. In particular, the “Big Four” accounting firms (PricewaterhouseCoopers, Deloitte, Ernst & Young and KPMG) are highly competitive in the consulting industry. However, we believe that our industry focus, deep industry and operational expertise, reputation, global business model and broad range of service offerings enable us to compete effectively in the marketplace.

Developing Client Relationships

We market our services directly to corporate executives and senior management, corporate counsel, law firms, corporate boards, special committees and governmental agencies. We use a variety of business development and marketing channels to communicate directly with current and prospective clients, including on-site presentations, industry seminars, thought leadership and industry-specific articles. In addition, we have strengthened our market presence by developing our brand name and go-to-market strategy. New engagements are sought and won by our senior and mid-level employees working together across our reporting segments. We seek to leverage our client relationships in one business segment to cross-sell service offerings provided by other reporting segments. Clients frequently expand the scope of engagements during delivery to include follow-on or complementary services. We have also developed client relationships through the formation of joint ventures, such as HSS discussed above. Our future performance will continue to depend upon our ability to win new engagements, attract and retain employees, develop and continue client relationships and maintain our reputation.

We believe our unique mix of deep industry expertise, combined with our scale, global presence, multi-disciplinary professionals and specialized service offerings, positions us to address our clients' critical business needs. We continue to establish programs to facilitate collaborative product development and marketing efforts, and also to develop new, innovative and repeatable solutions for our clients.

Financial Information about our Business Segments

See Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Note 5 – Segment Information to the notes to our consolidated financial statements for discussion of total revenues, revenues before reimbursements, segment operating profit and total assets by business segment. Certain areas within our reporting segments operate globally. For information regarding our total revenues and total assets by geographic region see Note 5 – Segment Information to the notes to our consolidated financial statements. For information regarding risks related to our international operations see Item 1A – "Risk Factors."

How Our Income is Derived

Our clients' demand for our services ultimately drives our revenues and expenses. We derive our revenues from fees on services provided. The most common type of contract through which our revenues are generated is on a time and materials basis. We also have engagements where fees are a fixed amount (either in total or for a period of time). We may also earn incremental revenues, in addition to hourly or fixed fees, which are contingent on the attainment of certain event-based or performance-based contractual milestones or outcomes. We estimate and recognize the revenue from such contingent fees over the period of performance to the extent that it is probable that a significant reversal will not occur. Variations in our quarterly or annual revenues and resulting operating profit margins may occur depending on, among other things, our ability to estimate fees associated with contingent outcomes or, in certain contracts, our ability to achieve performance metrics indicative of value provided to the client, and therefore to be recognized in the period. Revenues are also earned on a per unit or subscription basis. Regardless of the terms of our engagements, our ability to earn fees is reliant on the experience and expertise of our client-service employees.

Our most significant expense is client-service employee compensation, which includes salaries, incentive compensation, and amortization of sign-on and retention incentive payments, share-based compensation and benefits. Client-service employee compensation is included in cost of services before reimbursable expenses, in addition to technology costs, sales and marketing expenses and the direct costs of recruiting and training client-service employees.

Our most significant overhead expenses are administrative compensation and benefits and office-related expenses. Administrative compensation includes salaries, incentive compensation, share-based compensation and benefits for corporate management and administrative personnel that indirectly support client engagements. Office-related

expenses primarily consist of rent for our offices. Other administrative costs include bad debt expense, marketing, technology, finance and human capital management.

Concentration of Revenues

Revenues earned from our top 20 clients remained relatively steady at 39%, 38% and 37% of our total revenues from continuing operations for 2018, 2017 and 2016, respectively. No single client accounted for more than 10% of our total revenues during 2018, 2017 or 2016. For further information on segment concentration see Item 7 - Management, Discussion and Analysis of Financial Condition and Results of Operations – Segment Results.

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Non-U.S. Operations

We maintain international operations and have offices outside the U.S. including in countries within Europe, the Middle East and Asia. No country, other than the U.S., accounted for more than 10% of our total revenues from continuing operations during 2018, 2017 or 2016. Our non-U.S. subsidiaries, in the aggregate, represented approximately 8%, or \$62.9 million, of our total revenues from continuing operations in 2018 compared to 7%, or \$47.7 million, in 2017 and 3%, or \$23.4 million, in 2016. Revenues are allocated among our subsidiaries based on the respective entity or entities employing the personnel deployed on the engagements. For further geographic information, see Note 5 – Segment Information to the notes to our consolidated financial statements.

Available Information

We maintain a corporate website at www.navigant.com. The content of our website is not incorporated by reference into this report or any other reports we file with, or furnish to, the SEC. Investors may access our annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K, and amendments to those reports, as well as the proxy statement for our annual meeting of shareholders, free of charge (as soon as reasonably practicable after these materials are electronically filed with, or furnished to, the SEC) by going to the Investor Relations section of our website (investors.navigant.com) and searching under “SEC Filings.” These materials are also available in printed form free of charge upon request. Requests should be submitted to: Navigant Consulting, Inc., 150 North Riverside Plaza, Suite 2100, Chicago, Illinois 60606, Attention: Investor Relations.

Item 1A. Risk Factors

In addition to other information contained in this report and in the documents incorporated by reference herein, the following factors should be considered carefully in evaluating us and our business. These factors could materially affect our business, financial condition, results of operations and/or stock price in future periods. Additional risks not currently known to us or that we currently deem to be immaterial also could materially affect our business, financial condition, results of operations or stock price in future periods.

Risks Related to the Market

Our business, results of operations and financial condition could be adversely affected by disruptions in the marketplace caused by economic and political conditions.

Economic and political conditions affect our clients’ businesses and the markets they serve. A severe and/or prolonged economic downturn or a negative or uncertain political climate could adversely affect our clients’ financial condition and the levels and types of business activity engaged in by our clients and the industries we serve. Clients could determine that discretionary projects are no longer viable or that new projects are not advisable. This may reduce demand for our services, depress pricing for our services or render certain of our service offerings obsolete, any of which could have a material adverse effect on our business, results of operations and financial condition. Changes in economic and political conditions could drive changes to the regulatory or legislative landscape and consequently render certain of our service offerings obsolete or shift demand to services that we do not offer or for which we do not have competitive advantages, which could negatively affect the amount of new business that we are able to obtain. If we are unable to predict or assess the impact of changing economic and political conditions on our business or if we are unable to effectively plan for and respond to those changes, including realigning our resources and managing our costs, our business could be adversely affected. Additionally, significant economic turmoil or financial market disruptions could adversely impact the availability of financing to our clients and, in turn, could adversely impact our ability to secure new engagements or collect outstanding amounts due from our clients or cause them to terminate their existing contracts with us, each of which could adversely affect our financial position and results of operations.

Our business could be adversely impacted by competition.

The market for our services is highly competitive, highly fragmented, and subject to rapid change. The market includes a large number of participants with a variety of skills and industry expertise, including general management and information technology consulting firms, strategy firms, global accounting firms, business process and technology solution providers and other local, regional, national, and international consulting firms. Many of these firms are international in scope and have larger teams of personnel and greater financial, technical and marketing resources than we do. Some firms may have lower overhead and other operating costs and, therefore, may be able to more effectively compete through lower cost service offerings. If we are unable to compete effectively, our results of operations and financial condition could be adversely impacted.

We serve clients in industries undergoing significant change, and a significant change in the legal and regulatory landscape may reduce the demand for our services or render certain of our service offerings obsolete.

Many of our clients operate in highly regulated industries such as healthcare, energy, and financial services. These industries are subject to changing political, legislative, regulatory and other influences. The laws and regulations in these industries can be complex, and the application of those laws and regulations to our clients and to us is not always clear. Regulatory and legislative changes in these industries could reduce the demand for our services, decreasing our competitive position or potentially render certain of our service offerings obsolete, change client buying patterns or decision making or require us to make unplanned modifications to our service offerings, which could require additional time and investment. If we fail to accurately anticipate the application of the laws and regulations affecting our clients and the industries they serve, if anticipated changes in regulation or regulatory uncertainty impact client buying patterns, or if such laws and regulations decrease our competitive position or limit the applicability of our service offerings, our results of operations and financial condition could be adversely impacted.

The healthcare industry is an area of significant focus for our business, and factors that adversely affect the financial condition of the healthcare industry could adversely affect our business.

We derive a significant portion of our revenue from clients in the healthcare industry. As a result, our financial condition and results of operations could be adversely affected by conditions affecting the healthcare industry generally and hospitals and health systems particularly. The healthcare industry is highly regulated and is subject to rapidly changing political, legislative, regulatory, and other influences. Uncertainty in any of these areas could cause our clients to delay or postpone decisions to use our services. Existing and new federal and state laws and regulations affecting the healthcare industry could create unexpected liabilities for us, could cause us or our clients to incur additional costs, and could restrict our or our clients' operations. Many healthcare laws are complex and their application to us, our clients, or the specific services and relationships we have with our clients are not always clear. In addition, federal and state legislatures have periodically introduced programs to reform or amend the U.S. healthcare system at both the federal and state level, such as the Patient Protection and Affordable Care Act (the "Affordable Care Act") and the Health Care and Education Reconciliation Act of 2010. Due to the significant implementation issues arising under these laws, as well as continued efforts to repeal, amend, delay or replace these laws, including by executive order and executive enforcement decisions, it is unclear what long-term effects they will have on the healthcare industry and in turn on our business, financial condition and results of operations. Our failure to accurately anticipate the application of new laws and regulations, or our failure to comply with such laws and regulations, could expose us to liability, result in adverse publicity and negatively affect our business.

In addition, many healthcare industry participants and payers are consolidating, and we expect regulatory and economic conditions to continue this trend of consolidation in the healthcare industry. Mergers or consolidations among our clients could reduce the number of our clients and potential clients. If a current client merges or consolidates with a company that relies on another provider for the services we offer, we may lose future revenue from that client and the opportunity to provide additional services. As healthcare companies consolidate and assume greater market power, they may try to use their market power to negotiate fee reductions for our products and services. Consolidation may also result in the acquisition or future development by our clients of products and services that compete with us. Any of these potential results of consolidation could have a material adverse effect on our business, financial condition and results of operations.

If we are unable to successfully recruit, retain and incentivize our senior-level employees, our ability to win new client engagements and compete effectively could be adversely affected.

We rely heavily on a group of senior-level employees and business development professionals. We believe our future success is dependent on our ability to successfully recruit and retain their services. Competition for skilled employees is intense, and retention of our employees, particularly senior revenue-generators, is a key factor affecting our ability

to continue to grow organically and achieve our long-term strategic initiatives. The professional services industry has low barriers to entry making it easy for employees to start their own businesses or work independently. In addition, it is relatively easy for employees in our industry to change employers. Further, our senior-level employees and business development professionals may develop strong bonds with the clients they serve. In the event that such professionals leave us, we may lose clients who decide they prefer to continue working with a particular professional.

The costs associated with recruiting, training and retaining employees are significant, and restrictive covenants prevalent in the professional services industry often prevent senior-level employees from generating revenue quickly upon hire. If we are unable to successfully recruit and retain our senior-level employees, we could lose existing clients, experience an adverse effect on our ability to win new client engagements, or experience difficulty meeting client needs in our current engagements, and our results of operations could be adversely affected.

Although we offer various incentive compensation programs, including share-based compensation designed to retain and incentivize our senior-level employees, there can be no assurance that these programs will be effective. Further, limitations on the number of shares available under our equity compensation plans or a sustained decline in our stock price, which would require us to grant more shares in order to deliver the desired level of value, could also affect our ability to offer adequate share-based compensation as incentives to our senior-level employees. If we are unable to successfully incentivize our senior-level employees, those employees could leave us, and our results of operations could be adversely affected

Risks Related to Capital and Financing

We cannot be assured that we will have access to sufficient sources of capital to meet our cash needs.

We rely on our current cash and cash equivalents, cash flows from operations and borrowings under our credit agreement to fund our short-term and anticipated long-term operating and investing activities. Our credit agreement provides a \$350 million revolving credit facility. At our option, subject to the terms and conditions in the credit agreement, we may elect to increase commitments under the credit facility up to an aggregate amount of \$450 million. The credit facility becomes due and payable in full upon maturity in March 2022. At December 31, 2018, we had no outstanding borrowings outstanding under the credit facility and approximately \$346.5 million available. There can be no assurance that the credit facility will continue to be sufficient to meet the future needs of our business, particularly if a decline in our financial performance were to occur. In addition, there is no assurance that we will be able to refinance or extend this facility on similar or more favorable economic terms. If this occurs, and we are unable to otherwise increase our cash flows from operations, raise additional capital or obtain debt financing on terms favorable to us, we may be unable to meet our future cash needs, including, for example, funding our acquisitions and other strategic and capital investments. Furthermore, certain financial institutions that are lenders under our credit facility could be adversely impacted by significant economic turmoil or financial market disruptions and therefore could become unable to meet their commitments under our credit facility, which in turn would reduce the amounts available to us under that facility.

In addition, our variable rate indebtedness may use LIBOR as a benchmark for establishing the rate. As was announced in July 2017, LIBOR is anticipated to be phased out by the end of 2021. Uncertainty as to the nature of alternative reference rates and as to potential changes or other reforms to LIBOR may adversely impact the availability and cost of borrowings.

If we are unable to collect receivables in a timely manner, our operating cash flows could be adversely affected.

For the majority of our engagements, we do not receive prepayments or retainers prior to performing services on a client's behalf. If the average time it takes our clients to pay our invoices increases, or if the financial condition of any of our clients were to deteriorate, impairing their ability to make payments due to us, our operating cash flows would be adversely impacted which may require us to fund a greater portion of our working capital needs with borrowings under our credit facility or other capital sources.

Our failure to comply with the covenants in our credit agreement could have a material adverse effect on our financial condition and liquidity.

Our credit agreement contains financial covenants requiring that we maintain, among other things, certain levels of fixed charge and debt coverage. Poor financial performance could cause us to be in default of these covenants. While we were in compliance with these covenants at December 31, 2018, there can be no assurance that we will remain in compliance in the future. Historically, our borrowings under the credit facility tend to be higher during the first half of the year to fund annual incentive payments, and as a result, our consolidated leverage ratio is expected to increase from December 2018 levels. If we fail to comply with the covenants in our credit agreement, this could result in our having to seek an amendment or waiver from our lenders to avoid the termination of their commitments and/or the

acceleration of the maturity of outstanding amounts under the credit facility. The cost of our obtaining an amendment or waiver could be significant, and further, there can be no assurance that we would be able to obtain an amendment or waiver. If our lenders were unwilling to enter into an amendment or provide a waiver, all amounts outstanding under our credit facility would become immediately due and payable.

At times, we may have variable rate indebtedness which subjects us to interest rate risk and may cause our annual debt service obligations to increase significantly.

Borrowings under our credit facility are based on short term variable rates of interest which expose us to interest rate risk. Increases in the interest rates we pay could adversely impact our interest expense, cash outflows and results of operations. From time to time, we use derivative instruments for non-trading purposes, primarily consisting of interest rate swap agreements, to manage our interest rate exposure by achieving a desired proportion of fixed rate versus variable rate borrowings. There can be no assurance, however, that our derivative instruments will be successful in reducing the risks inherent in exposure to interest rate fluctuations.

Risks Related to Our Business Operations

Our results of operations and consequently our business may suffer if we are not able to maintain current pricing, compensation costs and productivity levels.

Our revenues and profitability are largely based on the pricing of our services, compensation costs and the number of hours our client-service employees work on client engagements. Accordingly, if we are not able to maintain adequate pricing for our services or appropriately manage our compensation costs and productivity levels, our results of operations may suffer. Pricing, compensation costs and productivity levels are affected by a number of factors, including:

- Our ability to predict future demand for our services and maintain the appropriate staffing levels;
- Our ability to transition client-service employees from completed client engagements to new client engagements;
- Our clients' perceptions of our ability to add value through our services;
- Our competitors' pricing of services and compensation levels;
- The market demand for our services and our ability to successfully balance our supply of skills and resources with client demand;
 - The market rate for employee compensation costs;
- Our ability to manage our human capital resources, particularly as we increase the size and diversity of our workforce, and expand into new service offerings as part of our growth strategies, and enter into new geographical markets;
- The economic, political and regulatory environment;
- Our ability to accurately estimate and appropriately manage professional hours and other aspects of fixed-fee engagements and discounted fees which may result in the costs of providing such services exceeding the fees collected; and
- Our failure to meet key performance improvement measures embedded within certain contracts that could trigger penalties.

If we are unable to keep our supply of skills and resources in balance with client demand, our business, the utilization rate of our professionals and our results of operations could be adversely affected.

Our profitability depends on our ability to effectively source and staff our customers' projects with employees possessing the right mix of skills and experience and our ability to transition employees to new assignments on a timely basis. If we are unable to effectively deploy our employees globally on a timely basis to fulfill the needs of our clients, our profitability could suffer. If the utilization rate of our professionals is too high, it could have an adverse effect on employee engagement and attrition, the quality of services provided and our ability to staff future projects. If our utilization rate is too low, our profitability and the engagement of our employees could suffer. The costs associated with recruiting and training employees are significant.

Some of the work we do involves greater risk than ordinary engagements which could negatively impact our business.

We do work for clients that for financial, legal, reputational or other reasons may present higher than normal risks. While we attempt to identify and mitigate our exposure with respect to higher-risk engagements and higher-risk clients, these efforts may be ineffective and an actual or alleged error or omission on our part or the part of our client or other third parties on one or more of these higher-risk engagements could have a material adverse impact on our business and financial condition. Examples of higher-risk engagements include, but are not limited to:

- Interim management engagements, including those for hospitals and other healthcare providers;
- Engagements where we assist clients in complying with healthcare-related or financial services-related regulatory requirements;
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Engagements where we serve as an independent monitor or as an independent review organization or which otherwise subject us to heightened requirements relating to our independence from our client;

• Financial advisory engagements;

• Engagements where we deliver project management services, including system integration and optimization services, for large infrastructure projects;

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- Engagements where we receive or process or host sensitive data, including personal consumer or private health information;
- Engagements where we deliver a compliance effectiveness opinion;
- Engagements involving independent consultants' reports issued pursuant to consent or similar orders to which our clients may be subject; and
- Engagements for governmental clients or where our work product will be relied upon by governmental agencies which regulate our clients.

Our international operations create special risks that could negatively impact our business.

We have offices outside the U.S., including countries in Europe, the Middle East and Asia, and conduct business in many other countries. We expect to continue to expand globally and our international revenues may account for an increasing portion of our revenues in the future. Our international operations carry special financial, business, legal and reputational risks, including:

- Cultural and language differences in conducting business;
- Employment and labor laws and related factors that could, among other things, result in lower utilization, higher compensation costs and cyclical fluctuations of utilization and revenues and affect our ability to realign resources with demand for our services;
- Currency fluctuations that could adversely affect our financial position and operating results;
- Compliance with varying legal and regulatory requirements, and other barriers to conducting business;
- Impact on consulting spend from international firms and global economies affected by the United Kingdom's withdrawal from the European Union (or "Brexit") and surrounding uncertainty, and the political, economic and commercial responses related to such events;
- Risks associated with engagements performed by employees and independent contractors with governmental officials and agencies, including the risks arising from the anti-bribery and corruption regulations;
- Greater difficulties in managing and staffing foreign operations, including in higher risk geographies;
- Greater personal security risks to employees traveling to or located in unstable locations;
- Difficulties developing talent and leadership capabilities in emerging markets, where depth of skilled employees is often limited and competition for these resources is intense, can be expensive and may be unsuccessful;
- Successful entry and execution in new markets;
- Restrictions on the repatriation of earnings; and
- Potentially adverse tax consequences, such as net operating loss carry forwards that cannot be realized or higher effective tax rates.

If we are not able to successfully mitigate the special risks associated with our international operations, our business prospects and results of operations could be negatively impacted.

The United Kingdom's withdrawal from the EU may adversely impact our operations in the United Kingdom and elsewhere.

In June 2016, United Kingdom ("UK") voters approved an advisory referendum for the UK to exit the EU. The UK parliament voted in favor of allowing the government to commence negotiations to determine the future terms of the UK's relationship with the EU, including the terms of trade between the UK and the EU and other nations. The timing of the proposed exit is currently scheduled for March 29, 2019, with a transition period running through December 2020. A withdrawal plan was presented to the UK parliament in January 2019 and rejected, creating further uncertainty in negotiations and the process of withdrawal.

Depending on the outcome of these negotiations, we could face new challenges in our operations, such as instability in global financial and foreign exchange markets. This instability could include volatility in the value of the British pound and European euro, legal uncertainty and potentially divergent national laws and regulations. In addition, the absence of trade agreements between the UK and other EU countries may adversely affect the operation of our cross-border engagements between certain of these countries. At this time, we cannot predict the impact that an actual exit from the EU will have on our business generally and our UK and European operations more specifically, and no assurance can be given that our operating results, financial condition and prospects would not be adversely impacted by the result.

If we are unable to effectively execute on long-term growth objectives, our results of operations and our stock price could be adversely affected.

Achievement of our long-term growth objectives may require additional investments in technology, people and acquisitions. These investments may be significantly different in size, nature and complexity in comparison to those we have made in the past, which could inherently create more risk around those investment decisions than would otherwise be the case. Specifically:

- Incentive compensation programs designed to motivate growth may result in innovation or investments that drive near-term growth, but that do not achieve longer-term growth and profitability objectives, or may incentivize an increase in risk compared to our current risk tolerance.

- Investments in acquisitions may result in growth in businesses that may add to near-term revenues and earnings, but may negatively impact shareholder return over the long-term if they do not perform as expected, or may otherwise create higher longer-term risks, including new legal, compliance, profitability or regulatory implications.

- The businesses and services added through these investments may extend beyond the knowledge, expertise or resources of our current management team, which could result in unintended risks.

If we are unable to successfully maintain a sales pipeline and to attract business from new or existing clients, our results of operations could be materially and adversely affected.

Many of our client engagement agreements are short term in nature (less than one year) or can be terminated by our clients with little or no notice and without penalty. Some of our services involve multiple engagements or stages. In those engagements, there is a risk that a client may choose not to retain us for the additional stages of an engagement or that a client will cancel or delay additional planned engagements. When contracts are terminated or not renewed, we lose the anticipated revenues and it may take significant time to replace the revenues lost or redeploy resources. The potential for early termination of large engagements creates uncertainty with respect to potential future revenue and earnings. Also, companies in the industries we serve may combine or be acquired by other companies. If a current client merges or consolidates with a company that relies on another provider for the services we offer, we may lose future revenue from that client and the opportunity to gain additional work. For all these reasons, we rely heavily on our senior-level employees' ability to develop new business opportunities for our services.

In the past, we have derived significant revenues from events as inherently unpredictable as the Dodd-Frank Act, healthcare reform, the credit crisis and significant natural disasters including major hurricanes and earthquakes. Those events, in addition to being unpredictable, often have impacts that decline over time as clients adjust to and compensate for the challenges they face. These factors also limit our ability to predict future revenues and human capital resource needs especially for large engagements that may end abruptly due to factors beyond our control which in turn could adversely impact our results of operations.

Unsuccessful client engagements could result in damage to our professional reputation or legal liability which could have a material adverse effect on our business.

Our professional reputation and that of our client-service employees is critical to our ability to successfully compete for new client engagements and attract and retain employees. In addition, our client engagements subject us to the risk of legal liability. Any public assertion or litigation alleging that our services were deficient or that we breached any of our obligations to a client could expose us to significant legal liabilities, distract our management and damage our reputation. Our professional liability insurance may not cover every type of claim or liability that could potentially arise from our client engagements. In addition, the limits of our insurance coverage may not be enough to cover a particular claim or a group of claims and the costs of defense. Any factors that damage our professional reputation could have a material adverse effect on our business.

We may not be able to maintain the equity in our brand name.

We believe that the Navigant brand is an important part of our overall effort to attract and retain clients and that the importance of brand recognition will increase as competition for our services increases. We may expand our marketing activities to promote and strengthen our brand and may need to increase our marketing budget, hire additional marketing and public relations personnel or expend additional amounts to protect our brand and otherwise to create and maintain client brand loyalty. In addition, our brand and corporate reputation are potentially susceptible to material damage by events such as disputes with clients, cybersecurity breaches, delivery failures, political issues involving our clients and the services we provide to those clients, compliance violations, government investigations or legal proceedings. Similarly, our reputation could be damaged by actions or statements of current or former clients, directors, employees, competitors, vendors, alliance or joint venture partners, legislators or government regulators, as well as members of the investment community or the media, including social media influencers. There is a risk that negative or inaccurate information about Navigant, even if based on rumor or misunderstanding, could adversely affect our business. If we fail to effectively promote, protect and maintain the Navigant brand, or incur excessive expenses in doing so, our business and results of operations could be adversely impacted. Damage to our reputation could be difficult, expensive and time-consuming to repair, could make potential or existing clients reluctant to select us for new engagements, resulting in a loss of business, and could adversely affect our recruitment and retention efforts. Damage to our reputation could also reduce the value of the Navigant brand name and could reduce investor confidence in us, materially adversely affecting our share price.

We encounter professional conflicts of interest.

If we are unable to accept new client engagements for any reason, including business and legal conflicts, our client-service employees may become underutilized or discontented, which may adversely affect our future results of operations, as well as our ability to retain these consultants. In addition, although we have systems and procedures to identify potential conflicts of interest prior to accepting a new client engagement, there is no guarantee that all potential conflicts of interest will be identified, and undetected conflicts may result in damage to our professional reputation and result in legal liability which may adversely impact our business.

We may be exposed to potential risks if we are unable to achieve and maintain effective internal controls.

If we fail to achieve and maintain adequate internal control over financial reporting or fail to implement necessary new or improved controls that provide reasonable assurance of the reliability of our financial reporting and the preparation of our financial statements for external purposes, we may fail to meet our public reporting requirements on a timely basis, suffer harm to our reputation, may be unable to adequately or accurately report on our business and our results of operations or may be required to restate our financial statements. Even with adequate internal controls, we may not prevent or detect all misstatements or fraud. Also, internal controls that are currently adequate may in the future become inadequate because of changes in conditions or changes in regulatory standards, and the degree of compliance with our policies or procedures may deteriorate.

Acquired businesses may not achieve expected results which could adversely affect our results of operations.

We have grown our business, in part, through the acquisition of complementary businesses. The substantial majority of the purchase price we pay for acquired businesses is related to goodwill and intangible assets. We may not be able to realize the value of those assets or otherwise realize anticipated synergies unless we are able to effectively integrate the businesses we acquire. We face multiple challenges in integrating acquired businesses and their personnel and technology systems, including differences in corporate cultures and management styles, retention of personnel, conflict issues with clients, systems integration, and the need to divert managerial resources and focus that would otherwise be dedicated to our current businesses. Additionally, certain senior-level employees, as sellers of the acquired businesses, are bound by non-competition covenants that expire after a specific amount of time from the date of acquisition. When these covenants expire, any loss of these senior-level employees could significantly impact the acquired businesses and their successful integration. Any failure to successfully integrate acquired businesses and technology systems and retain personnel could cause the acquired businesses to fail to achieve their expected results, which would in turn adversely affect our financial performance and may require a possible impairment of the acquired assets.

We may also be adversely impacted by liabilities we assume from a company we acquire. We may fail to identify or adequately assess the magnitude of certain liabilities, shortcomings or other circumstances prior to acquiring a company, including potential exposure to regulatory sanctions or liabilities resulting from an acquisition target's previous activities. Should these events occur, our expected benefit from such transactions may not be realized. Additionally, the financing of acquisitions through cash, borrowings or common stock could also impair our liquidity or cause significant dilution of our shareholders.

Goodwill and other intangible assets represent a significant portion of our assets, and an impairment of these assets could have a material adverse effect on our financial condition and results of operations.

Because we have acquired a significant number of businesses, goodwill and other intangible assets represent a significant portion of our total assets. Under generally accepted accounting principles, we are required to perform an annual impairment test at the reporting unit level on our goodwill and, on a quarterly basis, we are required to assess the recoverability of both our goodwill and long-lived intangible assets. We consider our operating segments to be our reporting units. We may need to perform an impairment test more frequently if events occur or circumstances indicate

that the carrying amount of these assets may not be recoverable. These events or circumstances could include a significant change in the business climate, attrition of key personnel, a prolonged decline in our stock price and market capitalization, legal factors, operating performance indicators, competition, sale or disposition of a significant portion of one of our businesses, and other factors. If the fair market value of one of our reporting units or other long-lived intangible assets is less than the carrying amount of the related assets, we could be required to record an impairment charge in the future. The valuation of our reporting units requires judgment in estimating future cash flows, discount rates and other factors. In making these judgments, we evaluate the financial health of our reporting units, including such factors as market performance, changes in our client base and projected growth rates. Because these factors are ever changing, due to market and general business conditions, we cannot predict whether, and to what extent, our goodwill and long-lived intangible assets may be impaired in future periods. At December 31, 2018, we had goodwill of \$422.4 million and net intangible assets of \$14.2 million. The amount of any future impairment could be significant and could have a material adverse effect on our financial results. See Note 6 — Goodwill and Intangible Assets, Net to the notes to our consolidated financial statements.

Changes in our level of taxes, as well as adverse outcomes in audits, investigations and tax proceedings, or changes in tax laws or in their interpretation or enforcement, could have a material adverse effect on our effective income tax rate, results of operations, cash flows and financial condition.

We are subject to taxes in numerous jurisdictions. We calculate and provide for taxes in each tax jurisdiction in which we operate. Tax accounting often involves complex matters and requires our judgment to determine our provision for income taxes and other tax liabilities. We are subject to ongoing audits, investigations and tax proceedings in various jurisdictions. Tax authorities have disagreed with, and may in the future take positions opposing, the judgments we make, including with respect to our intercompany transactions. We regularly assess the likely outcomes of our audits, investigations and tax proceedings to determine the appropriateness of our tax liabilities. However, our judgments may not be sustained as a result of these audits, investigations and tax proceedings, and the amounts ultimately paid could be materially different from the amounts recorded and reflected in our consolidated financial statements.

Our effective income tax rate could be adversely affected in the future by the expiration of current tax benefits, changes in the mix of earnings in countries with differing statutory tax rates, challenges to our intercompany transactions, changes in the valuation of deferred tax assets and liabilities and changes in tax laws, regulations and policies, or in their interpretation or enforcement. Additionally, the process of evaluation of and compliance with changes in tax laws and policies may be onerous and expensive. A number of jurisdictions where we do business, including the United States, are considering, or undergoing changes in their relevant tax, accounting and other laws, regulations, policies and interpretations. Changes in tax laws, treaties or regulations, and their interpretation or enforcement, have become more unpredictable, particularly as taxing jurisdictions face an increasing number of political, budgetary and other fiscal challenges. Tax rates in the jurisdictions in which we operate may change as a result of macroeconomic and other factors outside of our control, making it increasingly difficult for multinational corporations like ourselves to operate with certainty about taxation in many jurisdictions. As a result, we could be materially adversely affected by future changes in tax law or policy (or in their interpretation or enforcement) in the jurisdictions where we operate, including the U.S., which could have a material adverse effect on our effective income tax rate, results of operations, cash flows and financial condition.

Our effective tax rate may fluctuate in the future as a result of the Tax Cuts and Jobs Act (“Tax Reform”), which was enacted on December 22, 2017. Tax Reform introduced significant changes to U.S. income tax law that will have a meaningful impact on our provision for income taxes. We continue to examine the impact Tax Reform may have on our business as technical corrections and additional regulations are released. The overall impact of this new legislation is uncertain and our business and financial condition could be adversely affected by corrections and clarifications that differ from the analysis and methodologies applied.

Due to the timing of technical corrections and regulations and the complexity involved in applying the provisions of Tax Reform, we recorded reasonable estimates of the effects in our financial statements for the year ended December 31, 2018. The U.S. Treasury Department, the Internal Revenue Service (“IRS”), and other standard-setting bodies may continue to issue guidance on how the provisions of Tax Reform will be applied or otherwise administered that is different from our interpretation. As we collect and prepare necessary data and interpret Tax Reform, any additional guidance (including technical corrections and regulations) issued by the IRS or other standard-setting bodies, we may adjust the amounts recorded that could materially affect our financial position and results of operations as well as our effective tax rate in the period in which the adjustments are made.

Future changes in tax laws, treaties or regulations, and their interpretation or enforcement, may be unpredictable, particularly as taxing jurisdictions face an increasing number of political, budgetary and other fiscal challenges. Tax rates in the jurisdictions in which we operate may change as a result of macroeconomic and other factors outside of our control, making it increasingly difficult for multinational corporations like ourselves to operate with certainty about taxation in many jurisdictions. As a result, we could be materially adversely affected by future changes in tax law or policy (or in their interpretation or enforcement) in the jurisdictions where we operate, including the United States, which could have a material adverse effect on our effective income tax rate, results of operations, cash flows

and financial condition.

We are subject to unpredictable risks of litigation.

Although we seek to avoid litigation whenever possible, from time to time we are party to various lawsuits and claims. Disputes may arise, for example, from client engagements, employment issues, regulatory actions, business acquisitions and real estate and other commercial transactions. There can be no assurances that any lawsuits or claims will be immaterial in the future. Any material lawsuits or claims could adversely affect our business and reputation. Additionally, regardless of the merits of claims, the cost to defend current and future litigation may be significant and may be time-consuming and divert management's attention and resources.

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Our work with governmental clients has inherent risks related to the governmental contracting process.

We work for various U.S., state, local and foreign governmental entities and agencies. These engagements have special risks and characteristics that include, but are not limited to, the following:

Governmental agencies generally reserve the right to audit our contract costs, including allocated indirect costs, and conduct inquiries and investigations of our business practices with respect to governmental contracts. If the governmental entity finds that the costs are not reimbursable, then we will not be allowed to bill for them or the cost must be refunded to the governmental entity if it has already been paid to us. Findings from an audit also may result in our being required to prospectively adjust previously agreed rates for work which would affect our future profit margins.

If a governmental client discovers improper or illegal activities in the course of its audits or investigations, we may become subject to various civil and criminal penalties and administrative sanctions, which may include termination of contracts, forfeiture of profits, suspension of payments, fines and suspensions or debarment from doing business with other agencies of that government.

The terms and conditions of government contracts tend to be more onerous and are often more difficult to negotiate or adhere to than other types of contracts with our clients.

Governmental contracts, and the proceedings surrounding them, are often subject to political sensitivities and more extensive scrutiny and publicity than other commercial contracts. Negative publicity related to our governmental contracts, regardless of whether it is accurate, may damage our business by impairing our professional reputation and our ability to compete for new client engagements.

Government entities typically fund projects through appropriated monies. Government entities usually reserve the right to change the scope of or terminate projects for lack of approved funding (or at their convenience). Budget deficits or shortfalls, government spending reductions or suspensions or other debt constraints could result in projects we have with government entities being reduced in price or scope or terminated altogether.

Government spending may also be subject to political conflict. For example, the funding of U.S. federal government programs is subject to an annual congressional budget authorization and appropriation process. In years when the U.S. federal government has not completed its budget process before the end of its fiscal year, government operations are typically funded pursuant to a "continuing resolution," which allows federal government agencies to operate at spending levels approved in the previous budget cycle but does not authorize new spending initiatives. When the U.S. federal government operates under a continuing resolution, delays can occur in the procurement of the services that we provide and may result in new initiatives or projects being delayed or canceled, or funds could be diverted from our services to pay for other services or operational needs determined by the U.S. federal government. Further, in years when the U.S. federal government fails to complete its budget process or to provide for a continuing resolution, a federal government shutdown may result. This could in turn result in the suspension, termination or delay of many governmental projects, which could adversely affect our business and results of operations. In addition, payments to contractors for services performed during a federal government shutdown may be delayed, which would have a negative effect on our results of operations, cash flows and financial condition. Future U.S. federal government shutdowns cannot be predicted with any certainty.

Political and economic factors, such as pending elections, the outcome of recent elections, changes in leadership among key executive or legislative decision makers, revisions of government tax or other policies and reduced tax revenues, may affect our ability to win contract awards with governmental entities as well as the number and terms of contracts we have with government entities.

The impact of any of the occurrences or conditions described above could affect not only our relationship with the particular governmental agency involved, but also other agencies of the same or other governmental entities as well as other non-governmental clients. Depending on the size of the engagement or the magnitude of the potential costs, penalties or negative publicity involved, any of these occurrences or conditions could have a material adverse effect on our business or results of operations.

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

We experience periodic fluctuations in our revenues, operating income (loss) and cash flows and expect that this will continue to occur in the future due to timing and duration of our client engagements, utilization of our consultants, the types of engagements we are working on at different times, the geographic locations of our clients or where the services are rendered, the currency our fees are payable in and applicable currency exchange rates, the length of billing and collection cycles, hiring, business and asset acquisitions including the integration of those acquired businesses into our firm, and general economic factors beyond our control. We may also experience future fluctuations in our 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 or bonuses which are paid throughout the year.

The expansion and growth of our business process management services and the evolution of our service offerings into new areas subject us to different operational risks than our traditional consulting and expert businesses.

As part of our long-term strategy, we plan to continue to expand our services and solutions into new areas. Expanding into new areas and providing services to new types of clients may expose us to additional operational, regulatory or other risks, including overestimating the demand for our services and solutions or underestimating the competition from other market participants. Additionally, we may fail to properly anticipate the cost of entry or additional expenses related to our new services. We could also incur liability if we fail to comply with laws or regulations applicable to the new services we provide our clients. These challenges may prevent the expansion and growth of our business from becoming profitable, which, in turn could affect our reputation, business and results of operations.

Our Technology, Data & Process businesses generally, and our business process management services in particular, present different operational risks when compared to our traditional consulting and expert businesses. For example, our business process management services involve managing the revenue cycle function for all or certain portions of our physician and hospital clients' businesses, including the operation, management or oversight of billing, coding and accounts receivable departments that are critical to our clients' financial performance. In addition, certain of our businesses, most significantly our business process management services business, utilize offshore personnel, including personnel in India, which exposes us to additional operational risks, including special risks associated with conducting business internationally. Disruptions in service delivery, regulatory compliance concerns, data privacy and security concerns, particularly in the billing and coding areas, labor disputes, technology issues or other performance problems could damage our clients' businesses, expose us to enhanced regulatory scrutiny and claims, and harm our reputation and our business.

If our pricing estimates do not accurately anticipate the cost, risk and complexity of performing our work, our contracts could have delivery inefficiencies or be unprofitable.

Our pricing for engagements, particularly in connection with our business process management services engagements that have multi-year pricing agreements, is highly dependent on our forecasts and predictions about the level of effort and cost necessary to deliver the applicable services and solutions. Our estimates are based on available data at the time the fees are set, and could turn out to be materially inaccurate. If we do not accurately estimate the effort, costs or timing for meeting our contractual commitments and/or completing projects to a client's satisfaction, our contracts could yield lower margins than planned, or be unprofitable. In addition, we may fail to accurately assess the risks associated with potential contracts. This could result in existing contracts and contracts entered into in the future being less profitable than expected or unprofitable, which could have an adverse effect on our overall profitability.

We could be adversely impacted by changes in accounting standards as well as estimates and assumptions by management related to significant accounting matters.

Generally accepted accounting principles and related accounting pronouncements, implementation guidelines and interpretations with regard to a wide range of matters are highly complex and require management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and the related notes. Examples include: determination of the allowance for doubtful accounts, accruals for incentive-based compensation, the fair value of acquisition-related contingent consideration, revenue recognition, the measurement of deferred tax assets, estimation of future performance for recording expenses associated with performance-based equity incentive awards, and the assessment of recoverability of intangible assets and goodwill. Changes in these rules or their interpretation or changes in the underlying estimates and assumptions made by management could significantly change our reported or expected financial performance or financial condition. For example, changes in accounting standards and the application of existing accounting standards particularly related to the measurement of fair value as compared to carrying value for our reporting units could have an adverse effect on our financial condition and results of operations. Factors that could lead to impairment of goodwill and intangible assets include significant adverse changes in the business climate and declines in the financial condition of a reporting unit. In addition, new accounting

guidance also may require systems and other changes that could increase our general and administrative expenses and/or adversely impact our financial statements. For example, implementing current or future accounting guidance related to revenue recognition, leases and other areas impacted by the current convergence project between the Financial Accounting Standards Board and the International Accounting Standards Board could require us to make significant changes to our accounting and financial reporting systems and could result in adverse changes to our financial statements.

Our divestiture of SaleCo requires us to continue providing post-divestiture transition services and support, which may cause us to incur unanticipated costs and liabilities and adversely affect our business and results of operations.

Our divestiture of SaleCo involves a number of risks, including, among other things, certain indemnification risks and risks associated with the provision of transitional services. We have agreed to provide certain transition services to Ankura, such as technological support, services and leased space. In addition, Ankura will provide certain systems, services and leased space to us during the transition period. There are risks in providing and transitioning away from shared services, as they may incur unanticipated costs and liabilities, may divert our management's and employees' attention and may adversely affect our continuing business operations. This transition services agreement with Ankura may also lead to disputes over rights to certain shared property and over the allocation of costs and revenues for products and operations in connection with the transition services agreement. In addition, there are increased opportunities for errors inherent in maintaining the books and records of two separate unrelated companies on a single enterprise resource planning system.

Risks Related to Technology

We have invested in specialized technology and other intellectual property for which we may fail to fully recover our investment or which may be inadequate to serve the needs of our business or become obsolete.

We have invested in developing and licensing specialized technology and intellectual property, including owned and licensed proprietary systems, processes and methodologies, that we believe provide us a competitive advantage in serving our current clients and winning new client engagements. Some of our service offerings rely on specialized technology or intellectual property that is subject to rapid change, and to the extent that this technology and intellectual property is rendered obsolete and of no further use to us or our clients, our ability to continue offering these services, and grow our revenues, could be adversely affected. There is no assurance that we will be able to develop or license competitive, innovative or improved technology or technology and intellectual property or that our technology and intellectual property will effectively compete with the intellectual property developed by our competitors. If we are unable to develop or license on favorable terms new technology and intellectual property or if our competitors develop better technology or intellectual property, our revenues and results of operations could be adversely affected. Moreover, if we fail to adequately protect our intellectual property rights from unauthorized use or infringement by third parties, our business could be adversely affected. Similarly, we may not be able to maintain our relationships with third party licensors or enter into comparable relationships in the future on terms acceptable to us or at all, and our business and results of operations could be adversely affected as a result.

In addition, the scale and complexity of our business and new service offerings may require additional information systems that we may not be able to implement in a timely or cost-effective manner. This may impair our ability to achieve our operating objectives and retain our competitive position, which in turn could adversely affect our results of operations.

Information system failures or service interruptions could affect our ability to provide services to our clients.

We may be subject to disruption to our operating systems, technology or ability to communicate with our workforce and clients as a result of events that are beyond our control including but not limited to the possibility of failures at third-party data centers, worker strikes, disruptions to the internet, political instability, natural disasters, malicious attacks, or other conditions. While we have taken steps to prevent such events and have developed disaster recovery processes, there can be no assurance that these steps will be effective in every situation. Such disruptions could adversely affect our ability to fulfill client engagements and as a result may damage our reputation and adversely affect our business and results of operations.

If the integrity of our information systems is compromised by a cyber-security event, our reputation, business and results of operations could be adversely affected.

We depend on information systems to manage and run our business. Additionally, certain services we provide require us to store, transmit or process sensitive or confidential client information, including personal consumer information and health or other personally identifiable information. In some cases, it is difficult to anticipate or to detect immediately such incidents and the damage caused thereby. While we continually work to safeguard our internal network systems and validate the security of our third-party providers, including through information security policies and employee awareness and training, there is no assurance that such actions will be sufficient to prevent cyber-attacks or security breaches. If any person, including any of our employees, subcontractors or third-party vendors with whom we contract for client consulting or data hosting services, negligently disregards or intentionally breaches the information security controls we have implemented to protect confidential information, our clients' data, or if our own data or those security controls prove to be ineffective against intrusion, we could incur legal liability and may also be subject to regulatory enforcement actions, fines and/or criminal prosecution in multiple jurisdictions, as well as remediation costs. Our potential liability in the event of a security breach of client data or our own data could be significant and depending on the circumstances giving rise to the breach, this liability may not be subject to a contractual limit of liability or an exclusion of consequential or indirect

damages. Any unauthorized disclosure of sensitive, personal or confidential client information, whether through systems failure, employee, subcontractor or vendor negligence, fraud or misappropriation, could damage our reputation and cause us to lose clients. Similarly, unauthorized access to or through our information systems, including an intentional attack by any person who may develop and deploy viruses, worms or other malicious software programs, could result in negative publicity, legal liability, significant remediation costs and damage to our reputation and could have a material adverse effect on our business and results of operations. The nature of these threats and the methods used by persons seeking to disrupt or access our information systems are rapidly evolving, which makes it increasingly difficult to anticipate, prevent or mitigate these risks. The costs and operational focus required for implementing additional protective measures may also be significant and adversely affect our business and results of operations. In the event that new data securities laws are implemented, we may not be able to timely comply with such requirements, or such requirements may not be compatible with our existing processes. Changing our processes could be time consuming and expensive, and failure to timely implement required changes could subject us to liability for non-compliance.

We may experience difficulties in implementing new business and financial systems.

From time-to-time we may update or change certain of our business and financial systems to new platforms. The integration of new modules within our enterprise resource systems could disrupt our ability to timely and accurately process and report key aspects of our revenue cycle, including billing and accounts receivable. Any such disruption could adversely affect our results of operations or financial condition and cause harm to our reputation.

Item 1B. Unresolved Staff Comments.

None.

Item 2. Properties.

Our principal executive offices are leased and are located in Chicago, Illinois. We have approximately 40 other operating leases for offices with at least 20 employees, principally in the United States, which are utilized across our reporting segments. Our office space needs in certain geographic areas may change as our business expands or where we determine virtual work environments are appropriate, but we believe that our leased offices are adequate for our current needs.

Item 3. Legal Proceedings.

We are party to a variety of legal proceedings that arise in the normal course of our business. While the results of these legal proceedings cannot be predicted with certainty, we believe that the final outcome of these proceedings will not have a material adverse effect, individually or in the aggregate, on our results of operations or financial condition.

Item 4. Mine Safety Disclosures.

Not applicable.

Executive Officers of the Registrant

The following are our executive officers at February 28, 2019:

Name	Title	Age
Julie M. Howard	Chairman and Chief Executive Officer	56
Lee A. Spirer	Executive Vice President and Chief Growth and Transformation Officer	52
Stephen R. Lieberman	Executive Vice President and Chief Financial Officer	54
Monica M. Weed	Executive Vice President, General Counsel and Secretary	58

Julie M. Howard, 56, has served as our Chairman and Chief Executive Officer since May 2014 and Chief Executive Officer and a member of our board of directors since March 2012. Ms. Howard served as our President from 2006 to March 2012 and our Chief Operating Officer from 2003 to March 2012. From 2001 to 2003, Ms. Howard was our Vice President and Human Capital Officer. Prior to 2001, Ms. Howard held a variety of consulting and operational positions, including with Navigant. Ms. Howard is currently a member of the board of directors of Innerworkings Inc. and ManpowerGroup Inc. Ms. Howard also serves on the Medical Center Board for Ann & Robert H. Lurie Children's Hospital of Chicago and is a founding member of the Women's Leadership and Mentoring Alliance (WLMA). Ms. Howard is a past member of the board of directors of Kemper Corporation and the Association of Management Consulting Firms, the Dean's Advisory Board of the Business School of the University of Wisconsin – Madison and the Board of Governors for the Metropolitan Planning Council of Chicago. Ms. Howard is a graduate of the University of Wisconsin, with a Bachelor of Science degree in Finance. She has also completed several post-graduate courses within the Harvard Business School Executive Education program, focusing in finance and management.

Lee A. Spirer, 52, has served as our Executive Vice President and Chief Growth and Transformation Officer since April 2017. Mr. Spirer served as our Executive Vice President and Global Business Leader from November 2012 to April 2017. Mr. Spirer has served in a variety of strategic and operational roles in a range of professional and business services organizations. From April 2009 to May 2012, Mr. Spirer served as Senior Vice President and Global Business Head of Kroll Risk & Compliance Solutions, and prior to that, from September 2005 to February 2008, Mr. Spirer served as Senior Vice President and Global Leader of Corporate Strategy and Development for Dun & Bradstreet Corporation. From June 2001 to September 2005, Mr. Spirer held several senior management roles at IBM Business Consulting Services, last serving as General Manager, Global Financial Markets. In addition, from March 2008 to April 2009 and again from June 2012 to October 2012, Mr. Spirer served as Managing Partner of LAS Advisory Services, advising private equity and venture capital firms on a variety of strategic and operational issues. Mr. Spirer is a graduate of The Wharton School with a Master's degree in Business Administration and Brandeis University with a Bachelor's degree in Economics, with high honors and Phi Beta Kappa.

Stephen R. Lieberman, 54, has served as our Executive Vice President and Chief Financial Officer since April 2016. Prior to joining Navigant, from January 2012 to April 2016, Mr. Lieberman served as Senior Vice President, Finance and Chief Financial Officer, Latin America for Laureate Education, Inc., a global network of private higher education institutions. From March 2011 to January 2012, Mr. Lieberman served as Senior Vice President, Finance for Dana Holding Corporation, a vehicle component supplier, and prior to that, from September 2006 to October 2010, he served as Vice President and Treasurer of United Airlines. Mr. Lieberman also spent nearly 15 years at General Motors in various capacities, including Treasurer and Controller General for the auto manufacturer's Mexico operations and the Treasurer of the Asia Pacific Regional Treasury Center, Greater China. Mr. Lieberman received a Bachelor of Science degree in Electrical Engineering and a Master's degree in Business Administration from the University of Michigan.

Monica M. Weed, 58, has served as our Executive Vice President since October 2013 and General Counsel and Secretary since November 2008. Previously, Ms. Weed served as Associate General Counsel for Baxter Healthcare Corporation from March 2006 to October 2008. From March 2004 to March 2006, Ms. Weed served as Special Counsel, Rights Agent and Litigation Trustee to Information Resources, Inc. Litigation Contingent Payment Rights Trust, a publicly traded litigation trust. From 1991 through 2004, Ms. Weed served in a variety of legal roles, including Executive Vice President, General Counsel and Corporate Secretary for Information Resources, Inc., an international market research provider to the consumer-packaged goods industry. She started her legal career at the law firm of Sonnenschein Nath & Rosenthal LLP (now Dentons). Ms. Weed received a Bachelor of Arts in Classics from Northwestern University, a law degree from the Northwestern University School of Law and a Master's degree in Business Administration from the Kellogg Graduate School of Management, Northwestern University.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Market Information

Our common stock is traded on the New York Stock Exchange under the symbol "NCI."

Holders

As of February 22, 2019, there were 146 holders of record of our shares of our common stock.

Shares of our common stock that are registered in the name of a broker or other nominee are listed as a single shareholder on our record listing, even though they are held on behalf of a number of individual shareholders. As such, our actual number of beneficial shareholders is substantially higher than the number of our shareholders of record.

As of December 31, 2018, there were 41,273,282 shares of our common stock issued and outstanding.

Dividends

During the year ended December 31, 2018, we declared and paid a dividend of \$0.05 per share payable on September 14, 2018 to shareholders of record on September 7, 2018 and declared and paid a dividend of \$0.05 per share payable on December 14, 2018 to shareholders of record on November 30, 2018. We did not declare or pay any dividends during the year ended December 31, 2017. Dividend and other capital structure policy issues are reviewed on a periodic basis by our board of directors. In addition, the covenants in our credit agreement may limit our ability to pay dividends in the future.

Shareholder Return Performance Graph

The following graph compares the yearly percentage change in the cumulative total shareholder return on our common stock against the New York Stock Exchange Market Index ("NYSE Index") and the peer group described below. The graph assumes that \$100 was invested on December 31, 2013 in each of our common stock, the NYSE Index and the peer group. The graph also assumes that all dividends, if paid, were reinvested.

Note: The stock price performance shown below is not necessarily indicative of future stock price performance.

Measurement Period	Navigant Consulting Inc.	NYSE Index	New Peer Group (a)	Old Peer Group (b)
FYE 12/31/13	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00
FYE 12/31/14	80.05	106.87	110.10	109.24
FYE 12/31/15	83.64	102.61	112.30	112.74
FYE 12/31/16	136.34	114.98	130.49	124.34
FYE 12/31/17	101.08	136.69	154.72	147.65
FYE 12/31/18	125.75	124.66	171.32	160.86

a) The new peer group consists of the following companies: CBIZ Inc., CRA International Inc. (formerly known as Charles River Associates, Inc.), Evolent Health, Inc., Exponent, Inc., FTI Consulting, Inc., Inc., Gartner, Inc. (formerly known as Gartner Group, Inc.), Heidrick & Struggles International Inc., Hill International, Inc., HMS Holdings Corp., Huron Consulting Group Inc., ICF International, Inc., IHS Markit Ltd., Korn/Ferry International, MAXIMUS, Inc., Proficient Inc., Resources Connection, Inc., and Tetra Tech, Inc., and except as noted below, is the same peer group that is used by the compensation committee of our board of directors for purposes of evaluating executive compensation decisions. The peer group is weighted by market capitalization.

b) The old peer group also included The Advisory Board Co., which has been excluded from the new peer group included in the performance graph above for the year ended December 31, 2018, as this entity has been recently acquired. The performance data in the graph and table above include the share price performance of The Advisory Board Co. through November 17, 2017, its last day of trading.

The foregoing performance graph is being furnished as part of this report solely in accordance with the requirement under Rule 14a-3(b)(9) to furnish our shareholders with such information, and therefore, shall not be deemed to be filed or incorporated by reference into any filings by Navigant under the Securities Act of 1933, as amended or the Securities Exchange Act of 1934, as amended.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

The following table sets forth repurchases of our common stock during the fourth quarter of 2018:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares That May Yet be Purchased Under the Plans or Programs (a)
Oct 1 - 31, 2018	941,509	\$ 22.24	941,509	\$ 114,419,418
Nov 1 - 30, 2018	829,703	\$ 22.81	829,703	\$ 95,491,475

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Dec 1 - 31, 2018	730,034	\$ 23.60	730,034	\$78,264,345
Total	2,501,246	\$ 22.83	2,501,246	\$78,264,345

(a) On May 10, 2018, our board of directors increased the amount available under the Company's stock repurchase authorization to \$175 million and extended the authorization through December 31, 2020.

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Item 6. Selected Financial Data.

The following five-year financial and operating data should be read in conjunction with the information set forth under Item 7 — Management’s Discussion and Analysis of Financial Condition and Results of Operations and our consolidated financial statements and related notes thereto appearing elsewhere in this report. The amounts are shown in thousands, except for per share data.

During the year ended December 31, 2018, we sold our former Disputes, Forensics and Legal Technology segment and the transaction advisory services practice within our Financial Services Advisory and Compliance segment and, as such, the results have been reclassified to discontinued operations to reflect this transaction for all periods presented. As a result of the sale, we recorded a \$84.4 million pre-tax gain on sale. Further information on this transaction is presented in Note 3 –Dispositions and Discontinued Operations to the notes to our consolidated financial statements. Also during the year ended December 31, 2018, we commenced operation of our joint venture HSS, with Baptist Health South Florida. We have a 60% financial and controlling interest in HSS and as such we fully consolidate its operations. As a result, beginning in the year ended December 31, 2018, there will be income attributable to non-controlling interests, net of tax in our consolidated statements of comprehensive income as well as non-controlling interest included in our balance sheet from and after December 31, 2018.

During the year ended December 31, 2017, we recognized a \$29.8 million net tax benefit as a result of Tax Reform, which was signed into law December 22, 2017. Of this benefit, \$18.6 million was recognized in continuing operations. Further information on the tax impacts of Tax Reform is presented in Note 16 – Income Taxes to the notes to our consolidated financial statements.

	For the year ended				
	December 31,				
	2018	2017	2016	2015	2014
Revenues before reimbursements	\$ 672,694	\$ 636,942	\$ 619,787	\$ 517,145	\$ 456,919
Reimbursements	70,920	77,124	76,281	65,012	68,668
Total revenues	743,614	714,066	696,068	582,157	525,587
Cost of services before reimbursable expenses	479,572	443,423	417,058	351,336	305,151
Reimbursable expenses	70,920	77,124	76,281	65,012	68,668
Total cost of services	550,492	520,547	493,339	416,348	373,819
General and administrative expenses	138,571	139,024	137,693	120,918	108,215
Depreciation expense	20,040	20,398	19,631	15,637	12,381
Amortization expense	6,461	8,574	10,711	7,109	2,803
Other operating costs (benefit)	3,128	2,600	1,872	(9,900)	(3,465)
Operating income	24,922	22,923	32,822	32,045	31,834
Interest expense	2,708	3,022	3,181	2,988	3,597
Interest income	(1,988)	(320)	(140)	(204)	(269)
Other expense (income), net	119	895	(1,754)	(717)	(169)
Income from continuing operations before					
income tax expense	24,083	19,326	31,535	29,978	28,675
Income tax expense (benefit)	8,900	(12,031)	13,237	4,300	11,490
Net income from continuing operations	15,183	31,357	18,298	25,678	17,185
Income (loss) from discontinued operations, net of tax	105,848	43,595	39,800	34,667	(53,583)
Net income (loss)	121,031	74,952	58,098	60,345	(36,398)
Less: Income attributable to non-controlling interest, net of tax	(389)	-	-	-	-
	\$ 120,642	\$ 74,952	\$ 58,098	\$ 60,345	\$ (36,398)

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Net income (loss) attributable to Navigant Consulting, Inc.

Basic per share data

Net income from continuing operations attributable to Navigant Consulting, Inc.	\$ 0.33	\$ 0.67	\$ 0.39	\$ 0.54	\$ 0.35
Income (loss) from discontinued operations, net of tax	2.39	0.94	0.84	0.72	(1.10)
Net income (loss) attributable to Navigant Consulting, Inc. (1)	\$ 2.72	\$ 1.61	\$ 1.23	\$ 1.26	\$ (0.75)
Shares used in computing per basic share data	44,328	46,593	47,343	47,906	