

NAVIGANT CONSULTING, INC. AND SUBSIDIARIES
SUPPLEMENTAL INFORMATION*
(UNAUDITED)

TOTAL COMPANY(1)							
	2018		2017			2017	2016
	Q1	Q4	Q3	Q2	Q1	Full Year	Full Year
All numbers in thousands except per share data, DSO, ratios and percentages							
Revenues Before Reimbursements (RBR)	\$ 243,879	\$ 230,685	\$ 237,505	\$ 235,238	\$ 236,211	\$ 939,639	\$ 938,746
Y/Y Growth rate	3%	N/A	N/A	N/A	N/A	0%	N/A
Q/Q Growth rate	6%	-3%	1%	0%	N/A	N/A	N/A
Reimbursements	20,641	24,683	24,771	21,608	21,626	92,688	95,734
Total Revenues	264,520	255,368	262,276	256,846	257,837	1,032,327	1,034,480
Geographic Revenues as % of Total Revenues							
U.S. Operations	90%	89%	91%	89%	90%	90%	91%
Non U.S. Operations	10%	11%	9%	11%	10%	10%	9%
Cost of Services Before Reimbursable Expenses	171,406	159,216	161,597	168,721	165,052	654,586	631,935
% of RBR	70%	69%	68%	72%	70%	70%	67%
General and Administrative Expenses	44,362	39,532	44,180	41,726	41,484	166,922	168,954
% of RBR	18%	17%	19%	18%	18%	18%	18%
EBITDA (2)	27,128	31,758	29,094	24,791	28,369	114,012	136,018
% of RBR	11%	14%	12%	11%	12%	12%	14%
Adjusted EBITDA (2)	29,910	32,317	32,884	29,176	31,461	125,838	142,290
% of RBR	12%	14%	14%	12%	13%	13%	15%
Operating Income	18,427	22,625	20,177	14,746	18,577	76,125	96,736
% of RBR	8%	10%	9%	6%	8%	8%	10%
Net Income	11,853	43,120	11,939	8,797	11,096	74,952	58,098
% of RBR	5%	19%	5%	4%	5%	8%	6%
Y/Y Growth rate	7%	N/A	N/A	N/A	N/A	29%	N/A
Q/Q Growth rate	-73%	261%	36%	-21%	N/A	N/A	N/A
Net Income Per Diluted Share (EPS)	0.25	0.91	0.25	0.18	0.23	1.55	1.19
Adjusted Earnings Per Diluted Share (2)	0.30	0.29	0.30	0.24	0.27	1.09	1.27
Shares used in computing per diluted share data	46,834	47,223	48,017	48,696	48,969	48,226	48,813
Balance Sheet							
Cash and cash equivalents	6,646	8,449	9,005	6,556	9,132	8,449	8,291
Accounts receivable, net and contract assets	288,744	267,841	295,750	267,283	264,874	267,841	261,755
Days sales outstanding (DSO)	91	85	94	86	86	85	81
Bank debt	184,327	132,944	176,723	184,787	178,336	132,944	135,030
Free Cash Flow (2)	20,076	24,623	14,214	13,511	13,310	65,658	78,777
Share-based compensation expense related to client-service FTE	1,228	1,712	1,377	2,599	1,617	7,305	7,794

SEGMENT INFORMATION (1) (9)							
	2018	2017				2017	2016
All numbers in thousands except percentages	Q1	Q4	Q3	Q2	Q1	Full Year	Full Year
Business Segment RBR							
Healthcare	\$ 90,149	\$ 93,756	\$ 100,348	\$ 97,995	\$ 94,010	\$ 386,109	\$ 366,473
% of Total Company RBR	37%	41%	42%	42%	40%	41%	39%
Energy	33,704	30,654	29,597	31,743	32,498	124,492	115,940
% of Total Company RBR	14%	13%	12%	13%	14%	13%	12%
Financial Services Advisory and Compliance	41,386	35,730	38,016	33,683	32,907	140,336	152,166
% of Total Company RBR	17%	15%	16%	14%	14%	15%	16%
Disputes, Forensics and Legal Technology	78,640	70,545	69,544	71,817	76,796	288,702	304,167
% of Total Company RBR	32%	31%	29%	31%	33%	31%	32%
Total Company	\$ 243,879	\$ 230,685	\$ 237,505	\$ 235,238	\$ 236,211	\$ 939,639	\$ 938,746
Business Segment Revenues							
Healthcare	\$ 98,712	\$ 102,847	\$ 109,375	\$ 107,278	\$ 103,016	\$ 422,516	\$ 404,346
% of Total Company Revenues	37%	40%	42%	42%	40%	41%	39%
Energy	37,637	37,015	35,144	36,544	37,722	146,425	133,612
% of Total Company Revenues	14%	14%	13%	14%	15%	14%	13%
Financial Services Advisory and Compliance	45,571	40,727	44,584	37,244	36,855	159,410	173,391
% of Total Company Revenues	17%	16%	17%	15%	14%	15%	17%
Disputes, Forensics and Legal Technology	82,600	74,779	73,173	75,780	80,244	303,976	323,131
% of Total Company Revenues	31%	29%	28%	30%	31%	29%	31%
Total Company	\$ 264,520	\$ 255,368	\$ 262,276	\$ 256,846	\$ 257,837	\$ 1,032,327	\$ 1,034,480
Segment Operating Profit							
Healthcare	\$ 20,390	\$ 27,302	\$ 31,666	\$ 28,929	\$ 28,472	\$ 116,369	\$ 118,468
% of Segment RBR	23%	29%	32%	30%	30%	30%	32%
Energy	10,728	8,311	8,077	8,516	8,879	33,783	32,637
% of Segment RBR	32%	27%	27%	27%	27%	27%	28%
Financial Services Advisory and Compliance	16,031	13,914	15,937	12,307	11,614	53,772	63,464
% of Segment RBR	39%	39%	42%	37%	35%	38%	42%
Disputes, Forensics and Legal Technology	27,908	23,761	22,526	20,616	25,480	92,383	105,380
% of Segment RBR	35%	34%	32%	29%	33%	32%	35%
Total Company	\$ 75,057	\$ 73,288	\$ 78,206	\$ 70,368	\$ 74,445	\$ 296,307	\$ 319,949
% of Total Company RBR	31%	32%	33%	30%	32%	32%	34%
OTHER INFORMATION							
Technology, Data & Process RBR (3)	\$ 46,968	\$ 43,823	\$ 43,898	\$ 43,164	\$ 46,656	\$ 177,542	\$ 178,683
% of Total Company RBR	19%	19%	18%	18%	20%	19%	19%

METRIC INFORMATION (1) (9)							
	2018	2017				2017	2016
	Q1	Q4	Q3	Q2	Q1	Full Year	Full Year
Average Client-Service Full-Time Equivalent (FTE) Headcount (3)(4)							
Healthcare							
Consulting	648	680	671	657	645	663	616
Technology, Data & Process	2,706	2,751	2,780	2,656	2,467	2,663	2,466
Total Client-Service FTE	3,354	3,431	3,451	3,313	3,112	3,326	3,082
Energy							
Consulting	437	440	443	457	472	453	377
Technology, Data & Process	57	58	57	59	62	59	62
Total Client-Service FTE	494	498	500	516	534	512	439
Financial Services Advisory and Compliance							
Consulting	327	313	303	304	318	309	308
Technology, Data & Process	111	102	93	94	87	94	-
Total Client-Service FTE	438	415	396	398	405	403	308
Disputes, Forensics and Legal Technology							
Consulting	486	470	462	468	472	468	459
Technology, Data & Process	159	174	177	188	189	182	192
Total Client-Service FTE	645	644	639	656	661	650	651
Total Company							
Consulting	1,898	1,903	1,878	1,886	1,907	1,894	1,760
Technology, Data & Process	3,032	3,085	3,108	2,997	2,805	2,999	2,721
Total Client-Service FTE	4,930	4,988	4,986	4,883	4,712	4,893	4,481
Average Bill Rate (3)(5)							
Healthcare	263	274	284	282	272	278	274
Energy	215	206	200	206	207	206	205
Financial Services Advisory and Compliance	305	301	314	284	293	296	301
Disputes, Forensics and Legal Technology	373	358	361	365	366	363	372
Total Company	289	285	291	287	285	287	291
Average Utilization (based on 1,850 hrs) (3)(6)							
Healthcare	71%	70%	73%	73%	76%	73%	76%
Energy	68%	62%	67%	67%	67%	66%	72%
Financial Services Advisory and Compliance	83%	79%	82%	75%	75%	78%	78%
Disputes, Forensics and Legal Technology	75%	71%	75%	75%	73%	74%	74%
Total Company	73%	70%	73%	73%	73%	72%	75%
Period End FTE Employees (3)(4)							
Consulting	1,888	1,905	1,891	1,874	1,896	1,905	1,908
Technology, Data & Process	2,956	3,037	3,125	3,106	2,903	3,037	2,753
Non-billable	1,010	955	929	916	922	955	895
Total Company	5,854	5,897	5,945	5,896	5,721	5,897	5,556

NON-GAAP FINANCIAL MEASURES RECONCILIATIONS PAGE 1 OF 2

EBITDA AND ADJUSTED EBITDA (1)(2)

	2018	2017				2017	2016
	Q1	Q4	Q3	Q2	Q1	Full Year	Full Year
All numbers in thousands except ratios and percentages							
Net income	\$ 11,853	\$ 43,120	\$ 11,939	\$ 8,797	\$ 11,096	\$ 74,952	\$ 58,098
Interest expense	1,316	1,254	1,367	1,280	1,069	4,970	5,235
Interest income	(119)	(109)	(124)	(81)	(31)	(345)	(141)
Other income, net	390	430	104	602	(217)	919	(1,769)
Income tax expense	4,987	(22,070)	6,891	4,148	6,660	(4,371)	35,313
Depreciation expense	6,845	6,785	6,742	7,826	7,473	28,826	27,742
Accelerated depreciation - office consolidation (included in other operating costs - office consolidation, net)	-	101	-	-	-	101	33
Amortization expense	1,856	2,247	2,175	2,219	2,319	8,960	11,507
EBITDA	27,128	31,758	29,094	24,791	28,369	114,012	136,018
Add:							
Severance expense	1,799	380	1,156	4,385	1,786	7,707	4,433
Other operating costs:							
Contingent acquisition liability adjustments, net	-	-	1,014	-	1,199	2,213	1,330
Other costs	983	179	1,620	-	107	1,906	509
Adjusted EBITDA	29,910	32,317	32,884	29,176	31,461	125,838	142,290
General and administrative expenses	44,362	39,532	44,180	41,726	41,484	166,922	168,954
Long term compensation expense related to client-service personnel (including share-based compensation)	2,584	1,819	2,298	3,851	3,286	11,254	13,138
Severance expense added above	(1,799)	(380)	(1,156)	(4,385)	(1,786)	(7,707)	(4,433)
Total Segment Operating Profit	\$ 75,057	\$ 73,288	\$ 78,206	\$ 70,368	\$ 74,445	\$ 296,307	\$ 319,949
FREE CASH FLOW (1)(2)							
Net cash provided by (used in) operating activities	\$ (34,847)	\$ 70,716	\$ 35,175	\$ 21,305	\$ (22,961)	\$ 104,235	\$ 110,027
Changes in assets and liabilities	63,883	(36,761)	(5,952)	10,807	50,064	18,158	8,223
Allowance for doubtful accounts receivable	(3,130)	(1,411)	(5,169)	(1,171)	(4)	(7,755)	(8,815)
Purchases of property and equipment	(5,750)	(7,921)	(9,840)	(7,100)	(13,789)	(38,650)	(28,665)
Payments of acquisition liabilities	-	-	-	-	-	-	(1,165)
Payments of contingent acquisition liabilities	(80)	-	-	(10,330)	-	(10,330)	(828)
Free Cash Flow	\$ 20,076	\$ 24,623	\$ 14,214	\$ 13,511	\$ 13,310	\$ 65,658	\$ 78,777
LEVERAGE RATIO (1)(2)							
Adjusted EBITDA for prior twelve-month period	\$ 124,287	\$ 125,838	\$ 128,291	\$ 135,214	\$ 143,190	\$ 125,838	\$ 142,290
Bank debt	184,327	132,944	176,723	184,787	178,336	132,944	135,030
Leverage ratio	1.48	1.06	1.38	1.37	1.25	1.06	0.95
ORGANIC GROWTH (1)(2)							
Revenues Before Reimbursements	\$ 243,879				\$ 236,211		
Pro forma acquisition adjustment	-				1,420		
Currency impact	(1,598)				-		
Pro forma RBR	\$ 242,281				\$ 237,631		
Y/Y Organic growth rate	2.0%				N/A		

NON-GAAP FINANCIAL MEASURES RECONCILIATIONS PAGE 2 OF 2
ADJUSTED NET INCOME AND ADJUSTED EARNINGS PER SHARE (1)(2)

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

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

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

(2) Non-GAAP Financial Information

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

EBITDA, adjusted EBITDA, adjusted Net Income and adjusted Earnings Per Share

EBITDA is earnings from continuing operations before interest, taxes, depreciation and amortization. Adjusted EBITDA excludes the impact of severance expense and other operating costs (benefit), as applicable. Adjusted net income and adjusted earnings per share exclude the net income and per share net income impact of discontinued operations, severance expense, other operating costs (benefit), and the benefit recognized in the fourth quarter 2017 related to the 2017 Tax Cuts and Jobs Act, as applicable. Severance expense and other operating costs are not considered to be non-recurring, infrequent or unusual to our business. Management believes that these non-GAAP financial measures provide investors with enhanced comparability of Navigant's results of operations across periods.

Free Cash Flow

Free cash flow is calculated as net cash provided from operations excluding the change in assets and liabilities and allowance for doubtful accounts less cash payments for property and equipment and deferred acquisition liabilities. Free cash flow does not represent discretionary cash available for spending as it excludes certain contractual obligations such as debt repayment. However, management believes that it provides investors with an indicator of cash available for on-going business operations and long term value creation.

Leverage Ratio

Leverage ratio is calculated as bank debt at the end of the period divided by adjusted EBITDA for the prior twelve-month period. Management believes that leverage provides investors with an indicator of the cash flows available to repay the Company's debt obligations.

Organic Growth

Organic growth represents revenues before reimbursements adjusted to include the impact of our acquisitions as if we owned them from the beginning of each comparable period and adjusted to (3) Technology, Data & Process businesses are comprised of technology enabled professional services, including business process management services and data analytics, legal technology solutions and data services and insurance claims processing, market research and benchmarking businesses. During the year ended December 31, 2017, 88 Technology, Data & Process FTE were transferred from our Healthcare segment to our Financial Services and Advisory Compliance segment to align the FTE with work being performed.

(4) Average FTE is our average headcount during the period adjusted for part-time status. Average FTE is further split between the following categories:

a) Client-Service FTE - combination of Consulting FTE and Technology, Data & Process FTE defined as follows:

i) Consulting FTE - individuals assigned to client services who record time to client engagements; and

ii) Technology, Data & Process FTE - individuals in businesses primarily dedicated to maintaining and delivering the services described above in note (3) and are not included in average bill rate and average utilization metrics (see note (5) and (6) below); and

b) Non-billable FTE - individuals assigned to administrative and support functions, including office services, corporate functions and certain practice support functions.

(5) Average bill rate is calculated by dividing fee revenues before certain adjustments such as discounts and markups, by the number of hours associated with the fee revenues. Fee revenues and hours billed on performance-based services and related to Technology, Data & Process FTE are excluded from average bill rate.

(6) Average utilization rate is calculated by dividing the number of hours of our Consulting FTE who recorded time to client engagements during a period by the total available working hours for these consultants during the same period (1,850 hours annually). Hours related to Technology, Data & Process FTE are excluded from average utilization rate.

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

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

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