

# INVESTOR PRESENTATION

J.P. Morgan SMid Cap Conference

December 11, 2013



# DISCLOSURE STATEMENT

Statements included in this presentation which are not historical in nature are forward-looking statements as defined within the Private Securities Litigation Reform Act of 1995. Forward-looking statements may generally be identified by such as “anticipate,” “believe,” “intend,” “estimate,” “expect,” “plan,” “outlook” and similar expressions. These statements are based upon management’s current expectations and speak only as of the date of this presentation. Navigant Consulting, Inc. (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 success of the Company’s organizational changes and margin improvement initiatives; risks inherent in international operations, including foreign currency fluctuations; ability to make acquisitions and divestitures; pace, timing and integration of acquisitions and separation of divestitures; impairment charges; management of professional staff, including dependence on key personnel, recruiting, 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; clients’ financial condition and their ability to make payments to the Company; risks inherent with litigation; higher risk client assignments; professional liability; potential legislative and regulatory changes; continued access to capital; and market and general economic conditions. Further information on these and other potential factors that could affect the Company’s financial results are included under the “Risk Factors” section and elsewhere in the Company’s filings with the Securities and Exchange Commission (SEC), which are available on the SEC’s website or at [www.navigant.com/investor\\_relations](http://www.navigant.com/investor_relations). 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.

Unless otherwise indicated, all references are to results from continuing operations and exclude results from the July 2013 sale of the United Kingdom financial services advisory business which are reported as discontinued operations. Amounts previously reported have been reclassified to conform to the current presentation.

# COMPELLING OPPORTUNITY

- » Balanced portfolio focused on sectors facing transformational change and highly technical, complex regulatory and legal issues, including:
  - › Energy
  - › Financial Services
  - › Healthcare
- » Disciplined, strategic operating framework
- » Multiple growth drivers including favorable macro trends
- » Proven ability to identify, develop and scale opportunities in emerging regulatory change environment
- » High quality business mix with long-term client relationships
- » Strong financial condition including improving margins, healthy balance sheet, strong cash flows and active share repurchase program

# VISION FOR GROWTH

## OPERATIONAL, FINANCIAL & STRATEGIC DISCIPLINE

### PERFORM

- Enhance our organic growth potential
- Focused on enhanced collaboration, sales effectiveness and leverage

### BANK

- Grow earnings and cash flow
- Strategic free cash flow usage
- Maximize stakeholder value



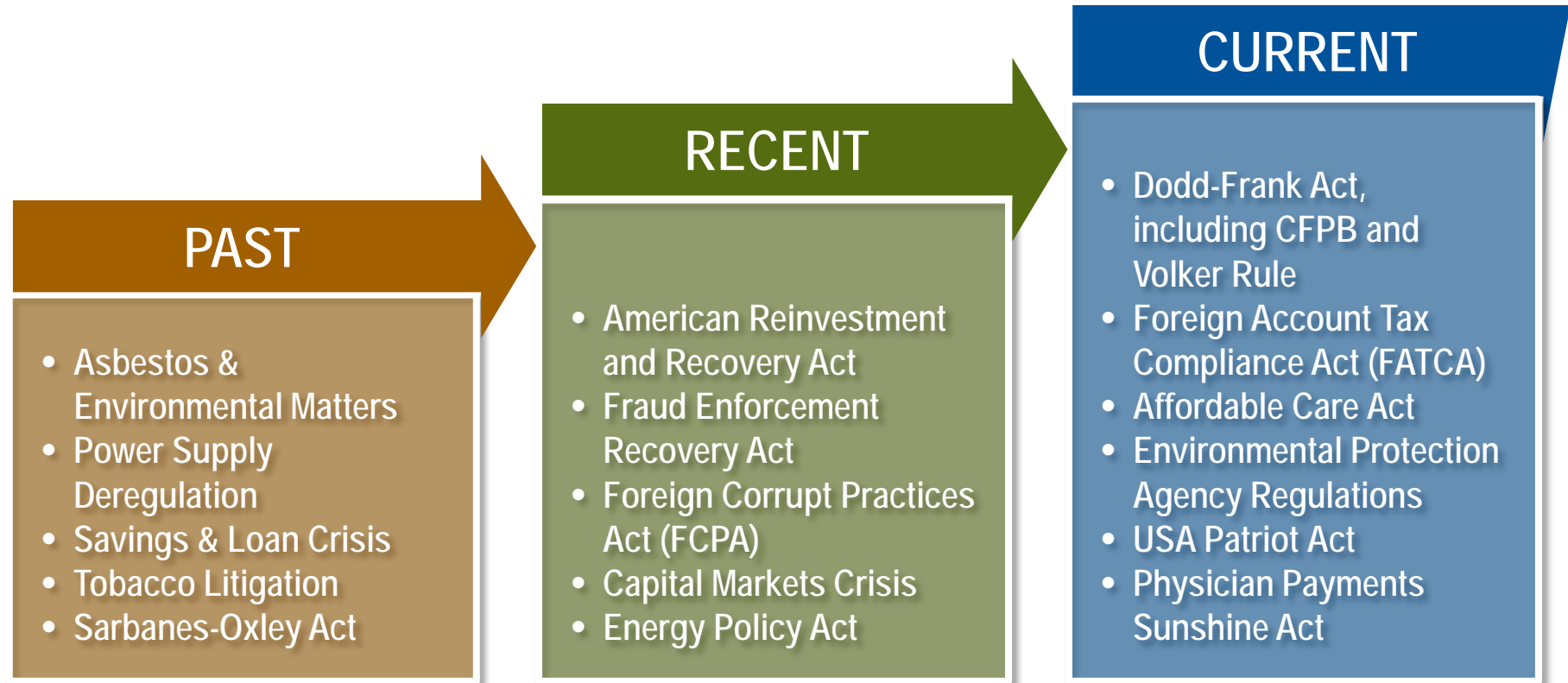
### INNOVATE

- Build capability for innovation
- Develop new services and products
- Expand our geographic scope

# KEY GROWTH DRIVERS

- » Capitalize on macro trends in highly regulated growth markets
- » Enhance internal collaboration and sales effectiveness
- » Leverage recurring revenue streams and technology-enabled client solutions
- » Extension of skills and expertise into new sectors
- » Broaden geographic scope

# CAPITALIZE ON CHANGING REGULATORY ENVIRONMENT



» Since its founding, Navigant has demonstrated a proven ability to anticipate and capitalize on regulatory change

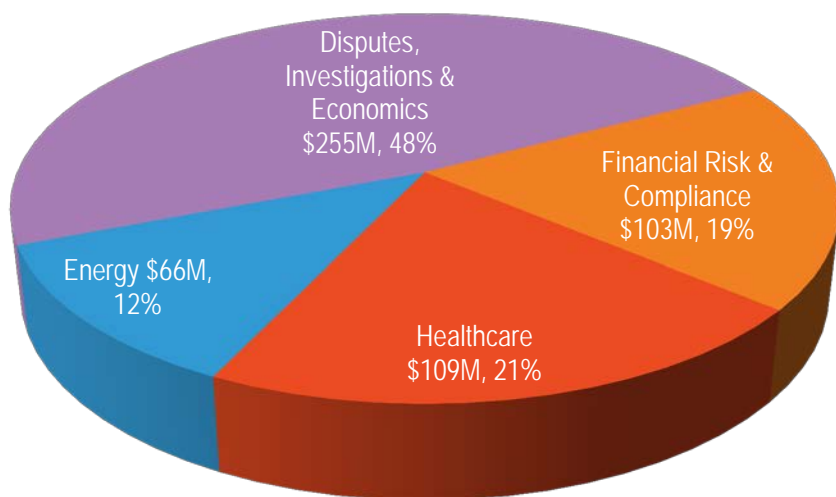
# BUSINESS SEGMENTS

Revenues before Reimbursements (RBR)

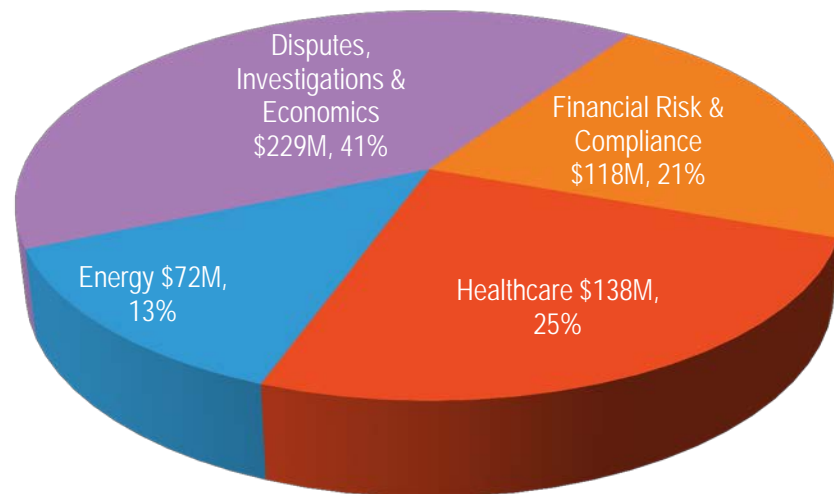
For the Nine Months Ended September 30, 2012 and 2013

(Dollars in millions)

2012 RBR



2013 RBR

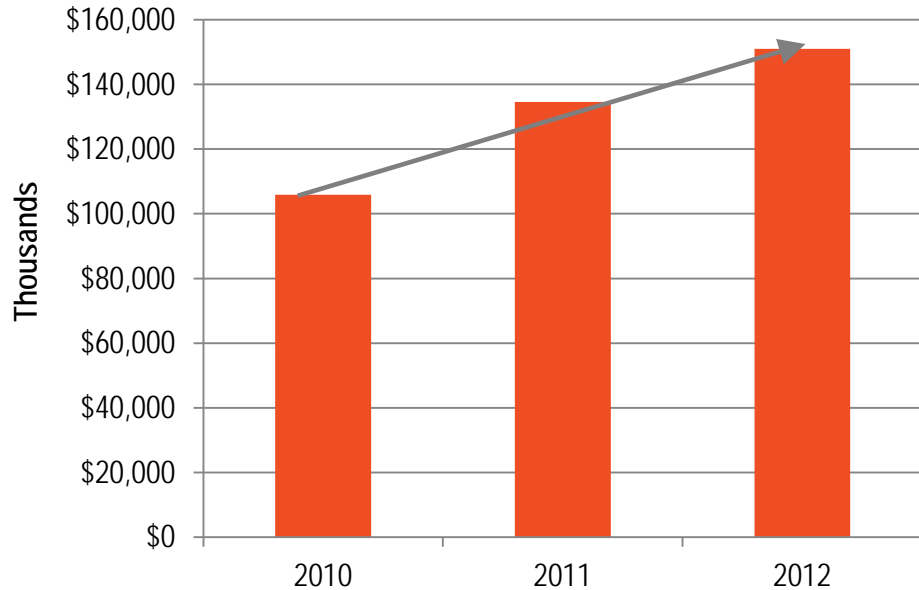


Ongoing shift to high growth segments

Compared to prior year period:

- Healthcare RBR grew 27%
- Energy RBR grew 9%

## Healthcare RBR



### Key Catalysts for Growth

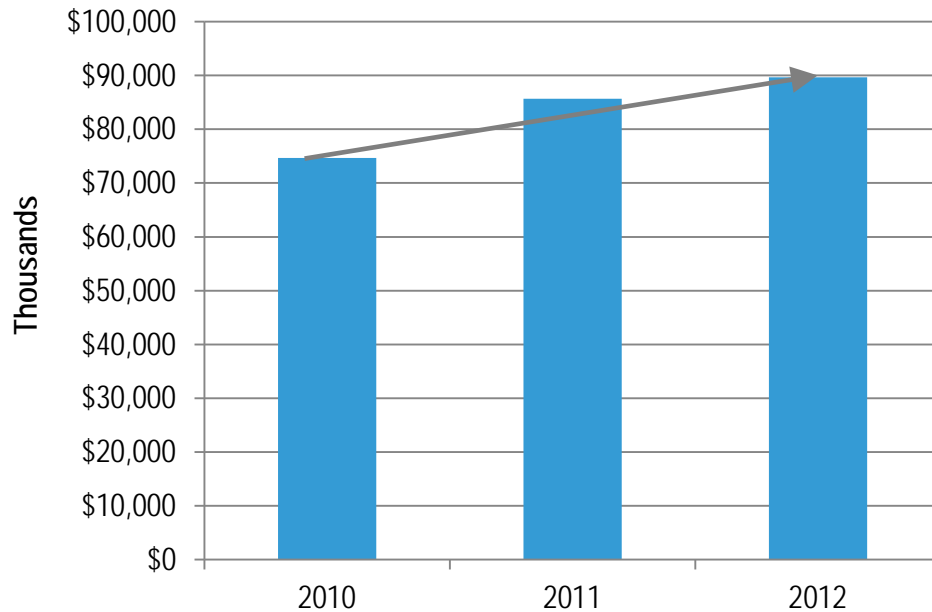
- » Healthcare reform and the Affordable Care Act
- » Ongoing industry consolidation and reorganization
- » Reimbursement changes
- » Value-based care delivery drivers
- » Global demand for healthcare solutions



- Assist health systems, physician practice groups, payers and life sciences companies
- Design, develop and implement solutions that create high-performing healthcare organizations
- Unique interdisciplinary approach leverages our experienced healthcare executives, clinicians, and physicians
- Enable clients to achieve sustainable peak performance around quality of care, cost, leadership, and culture
- Outsourced services for physician organizations including claims coding, billing and collections



## Energy RBR



## Key Catalysts for Growth

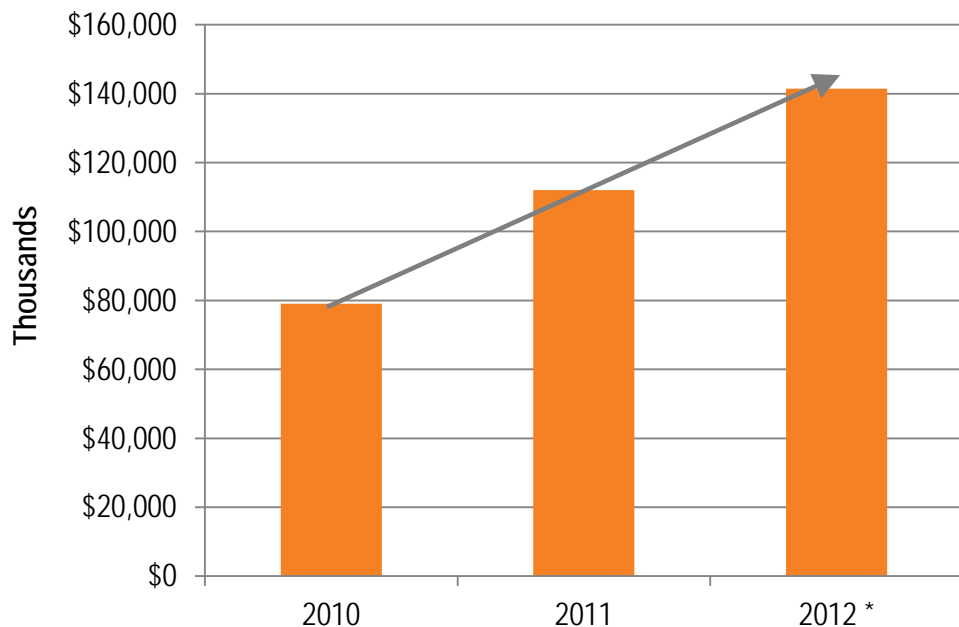
- » Energy efficiency programs emphasized by Obama administration
- » Merger and acquisition related activity
- » Integration of renewables into the transmission grid
- » Strategic planning related to changing energy prices, e.g. natural gas
- » Global demand for energy solutions



- Help clients minimize risk and optimize performance across the entire energy value chain
- Expertise includes energy efficiency and demand side strategies; energy generation and transmission, regulatory compliance, optimization of emerging energy technologies; Smart Grid analyses and strategy implementation
- Provide syndicated research in clean technology, solar and wind

# FINANCIAL, RISK AND COMPLIANCE

## Financial, Risk and Compliance RBR



## Key Catalysts for Growth

- » Demand for anti-money laundering, anti-bribery and anti-corruption compliance
- » Continued fall-out from credit crisis affecting financial services industry
- » Increasing regulation, including Dodd-Frank and Consumer Financial Protection Bureau
- » Increasing need for integrity monitorships

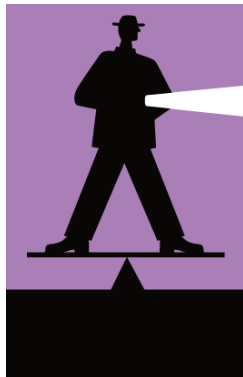
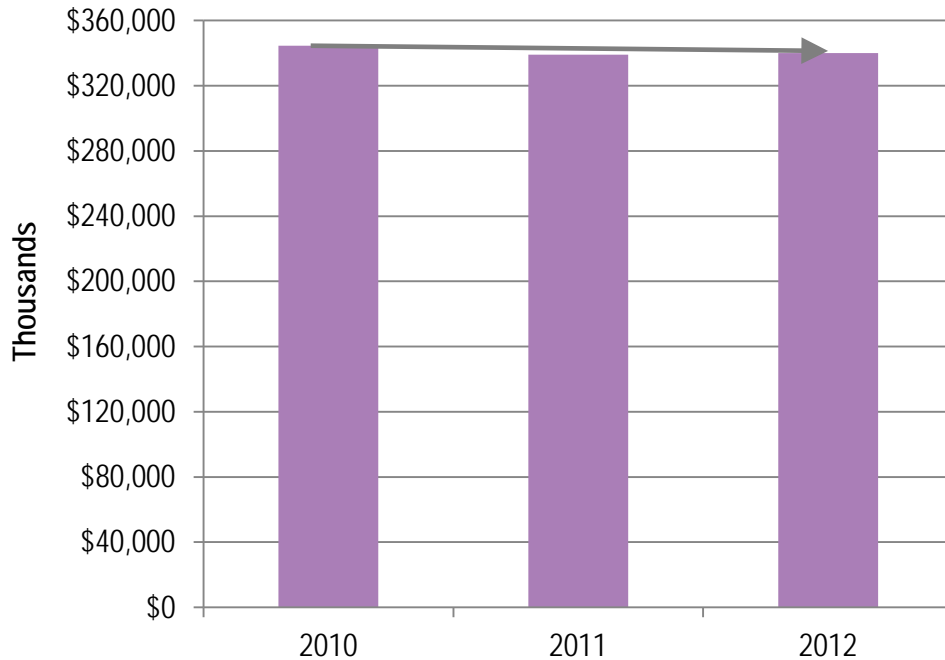
\* Note that 2012 RBR included significant contributions from four mortgage servicing review engagements



- Broad range of risk management, investigative and compliance services for the financial services industry, corporations and government institutions to assess, manage, and mitigate risk
- Combine industry experience, forensic accounting and an investigative approach to help companies effectively respond to inquiries and navigate compliance anywhere in the world
- Provide insightful and thorough valuations resulting in informed business decisions

# DISPUTES, INVESTIGATIONS AND ECONOMICS

## Disputes, Investigations & Economics RBR



- Help corporations and counsel address complex legal, regulatory and business risks in matters concerning economics, finance and accounting
- Expert testimony and privileged consulting on data, damages and valuation issues in complex commercial disputes
- Technical accounting knowledge and investigative methodology bring clarity and comprehension to complex forensic accounting issues
- Global eDiscovery and data analytics services that enable effective digital risk management

## Key Catalysts for Growth

- » Continued fall-out from credit crisis affecting financial services industry
- » Increased SEC focus on financial reporting
- » Increased activity in securities and financial litigation and investigations
- » International arbitration activity
- » Demand for e-discovery solutions
- » Proliferation of data to respond to litigation requests

# HIGH QUALITY CLIENT BASE

## Client Profile

- › Nearly 300 financial services companies including many of the largest banks in the U.S.
- › 50 of largest electric and gas utilities
- › 83% of AMLAW 100 firms
- › 19 of 20 hospitals on U.S. News and World Report Honor Roll of Best Hospitals
- › Federal, state and local government departments and agencies

## Client Retention/Loyalty

- › Client revenues of at least \$500,000 in 2012:
  - › Client relationship of 10 years or more: 36%
  - › Client relationship of at least 5 years: 60%

## Revenue Breadth

- › 154 clients with revenues of greater than \$1 million in 2012
- › 150 clients with revenues of \$500,000 to \$1 million in 2012
- › 75% of total 2012 Revenues were from clients with revenues of at least \$500,000

# FINANCIAL PERFORMANCE

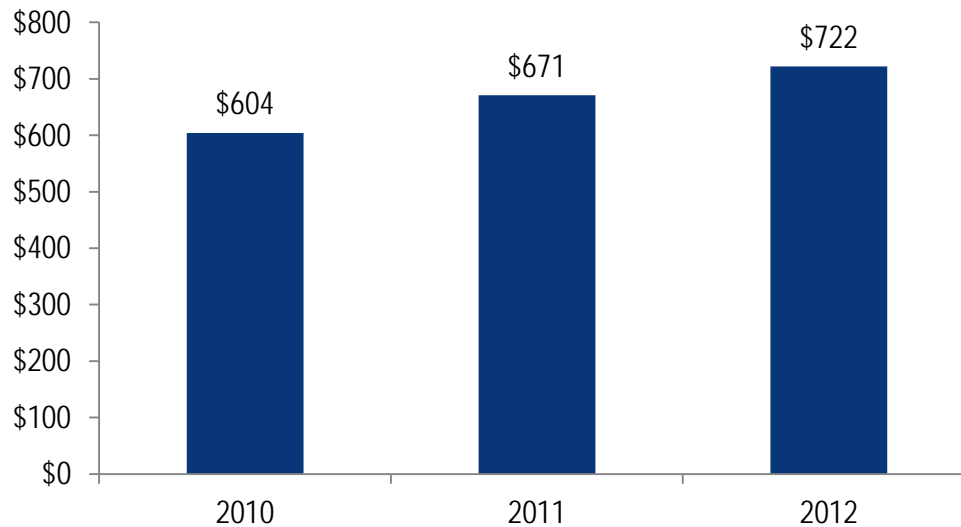
## Executive Summary

- » Balanced portfolio of revenue streams with track record of growth
- » Focus on margin expansion and increased profitability
- » Healthy balance sheet and consistent, strong cash flow
- » Disciplined capital allocation with emphasis on ROI to shareholders

# FINANCIAL HIGHLIGHTS

- » Track record of revenue growth
- » RBR CAGR (2010-2012) of 9.3%
- » RBR for nine months ended September 30, 2013 was \$557 million

Revenues Before Reimbursements  
(in millions)

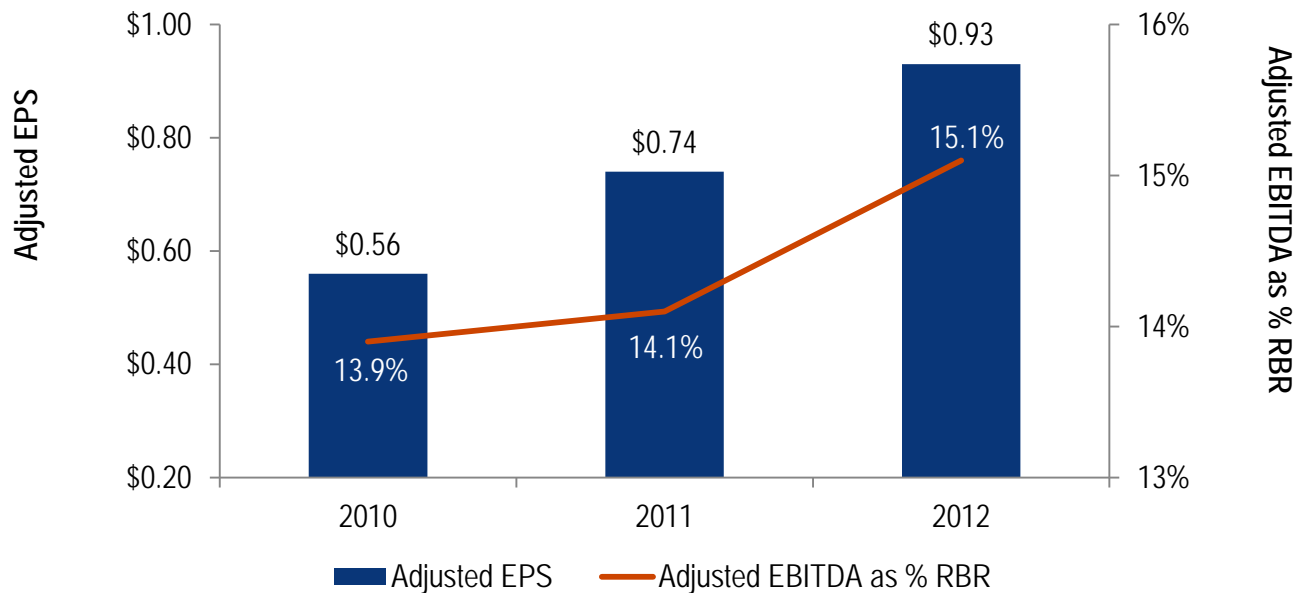


# FINANCIAL HIGHLIGHTS

For reconciliations of Adjusted EBITDA, Adjusted EPS, Free Cash Flow and Leverage Ratio, see Navigant's Q4 & Full Year 2012 earnings release dated 2/14/2013 and Q3 2013 earnings release dated 10/29/2013 at [www.navigant.com/investor\\_relations](http://www.navigant.com/investor_relations)

- » Track record of margin and earnings growth
- » Adjusted EPS CAGR (2010-2012) of 28.9%
- » Adjusted EPS was \$0.82 and Adjusted EBITDA margin was 16.9% for nine months ended September 30, 2013

## Adjusted EPS & Adjusted EBITDA Margin



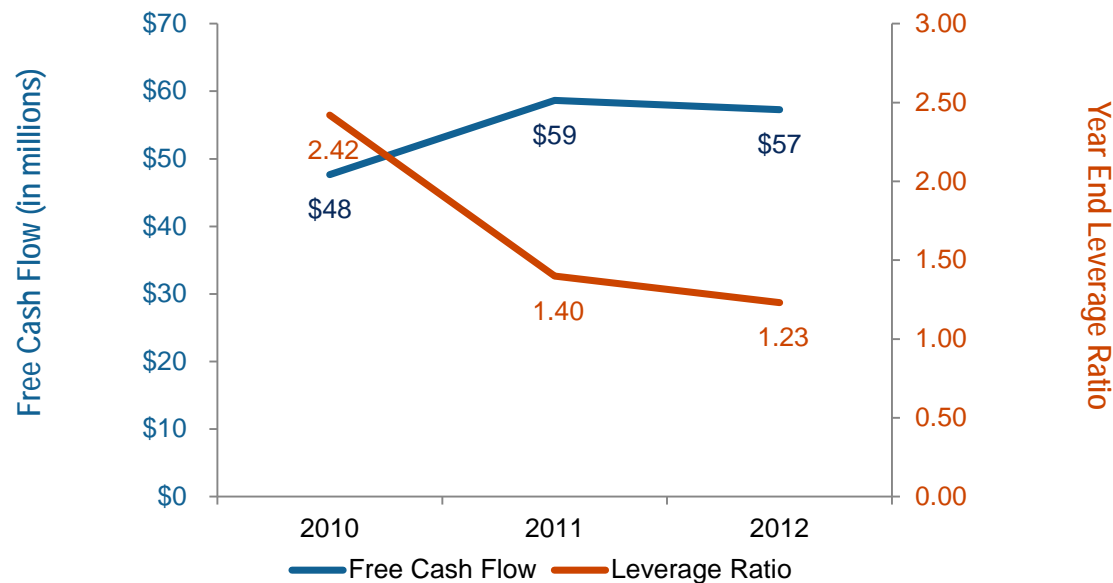


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- » Strong balance sheet and cash flow
- » Free Cash Flow CAGR (2010-2012) of 9.6%
- » Free Cash Flow was \$63.6 million for nine months ended September 30, 2013
- » Leverage Ratio (debt to Adjusted EBITDA) was 0.86 as of September 30, 2013

## Free Cash Flow and Leverage Ratio



# DISCIPLINED CAPITAL ALLOCATION STRATEGY

- » Generate strong free cash flow; \$57 million for the year 2012
- » Share repurchase program; 1.6 million shares repurchased in 2012 for \$18.9 million
- » Invest internally in technology-enabled products and services; 2012 capital expenditures totaled \$20 million, primarily for technology investments
- » Reduce debt and leverage; leverage ratio decreased from 1.40 to 1.23 between December 31, 2011 and 2012
- » Pursue strategic acquisitions that we expect to leverage and grow
- » Nine months ended September 30, 2013 update:
  - › Free cash flow was \$64 million
  - › \$22.3 million paid to repurchase 1.7 million shares
  - › Leverage ratio of 0.86 as of September 30, 2013

# INVESTOR PRESENTATION

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More information about Navigant can be found at  
[www.navigant.com/investor\\_relations](http://www.navigant.com/investor_relations)

