FTI Consulting Introduces Quarterly Activism Vulnerability Report

Publishing, Media and Telecommunications Industries Continue to be the Most Susceptible to Shareholder and Corporate Activism

Washington, D.C., Dec. 9, 2019 — FTI Consulting, Inc. (NYSE: FCN) today announced the release of its inaugural Activism Vulnerability Report, which evaluates the vulnerability of public companies and industries in the United States and Canada to activist campaigns. The report builds on the initial findings of the Activism and M&A Solutions practice’s Activism Screener, a proprietary algorithm-based tool released in July 2019 that identifies public companies and industries that are vulnerable to shareholder and corporate activism on a quarterly basis.

The report, which summarizes the screener’s results and evaluates 25 industries, illustrates which industries are most vulnerable to shareholder activism each quarter based upon an average of the aggregate vulnerability scores ranging from 0.0 to 100.0, with higher scores representing more vulnerable industries and companies. Scores are based on four categories: governance, total shareholder return, balance sheet and operating performance, all of which are derived from quarterly and annual filings from 3,400 U.S. and Canadian companies with market capitalizations of at least USD$100 million.

The publishing, media and telecommunications industries remain the most vulnerable to shareholder and corporate activism, according to the inaugural Activism Vulnerability Report. The top three industries all fall within technology, media and telecommunications, with vulnerability scores of at least 55 out of 100, four points higher than the next closest ranked industry. In addition, REITs, consumer non-durables and business services moved into the top 10 most vulnerable industries for the third quarter of 2019.

Commenting on the findings of the report, Jason Frankl, Co-Leader of the Activism and M&A Solutions practice at FTI Consulting, said, “While there seems to be some persistent vulnerability in the technology, media and telecommunications sector, it is interesting to see REITs, business services and consumer non-durables, or more generally retail, move up the list considerably. Retail should be entering its strongest seasonal period in the fourth quarter, so we will be monitoring with interest how earnings through the holiday season affect share performance and valuations.”
Brian Kushner, Co-Leader of the Activism and M&A Solutions practice at FTI Consulting, added, “Every company, regardless of how challenged their industry may be, must be acutely cognizant of its key vulnerabilities and how it benchmarks relative to its peers. By recognizing weaknesses and following a strategy to improve them prior to an activist’s presence, management and boards can build credibility with investors while at the same time increasing shareholder value.”

The Activism and M&A Solutions practice at FTI Consulting offers comprehensive consulting on activist engagements and M&A situations, both before and during activist engagements, that address each of the critical areas measured by the screener, including providing operating performance improvement, forensic accounting, investigative, communications and governance enhancement advisory capabilities across numerous industries that go beyond traditional due diligence and financial analysis. The practice identifies and investigates critical threats and opportunities by deploying integrated teams that work in conjunction with management and its legal and banking advisors to shift the balance in favor of clients in an activism or contested M&A situation. To learn more, visit www.ftiactivism.com.

About FTI Consulting
FTI Consulting, Inc. is a global business advisory firm dedicated to helping organizations manage change, mitigate risk and resolve disputes: financial, legal, operational, political & regulatory, reputational and transactional. With more than 4,700 employees located in 28 countries, FTI Consulting professionals work closely with clients to anticipate, illuminate and overcome complex business challenges and make the most of opportunities. The Company generated $2.03 billion in revenues during fiscal year 2018. For more information, visit www.fticonsulting.com and connect with us on Twitter (@FTIConsulting), Facebook and LinkedIn.

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