



Business Consulting Market Monitor

Market Overview

Sector Spotlight

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Sector Leadership



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Strategic Acquirers Hedge Economic Outlook

Strategic Investment in Restructuring-Focused Advisory Firms
Position Acquirers to Execute in Any Environment

Citizens Financial acquires DH Capital and Armanino acquires Drucker & Scaccetti

- Across the macroeconomic landscape, companies still face labor shortages, supply chain disruption, rising raw materials costs and an increasing cost of debt
- While many companies continue to perform, some companies are looking to hedge their capabilities against future economic uncertainty by acquiring premier restructuring advisory firms, as evidenced by Citizens' recent acquisition of DH Capital and Armanino's acquisition of Drucker & Scaccetti
- Strategic acquirers are looking to position themselves advantageously regardless of how the next 12 months ultimately play out

Premier Life Sciences Deals Continue to Headline

Life Sciences M&A Remains 'Red-Hot' as Private Equity
Bolsters Platform Investments

Fishawack Health (backed by Bridgepoint) and TrialCard (backed by Odyssey Investment Partners) execute meaningful add-on acquisitions to key platform investments

- **Fishawack Health** via their sponsor, Bridgepoint Advisers, acquired one of the industry's premier healthcare and life sciences policy, market access and transformation leaders, Avalere. The acquisition of Avalere (*Advised by Clearsight*) rounds out Fishawack's comprehensive set of capabilities, positioning them to exceed client expectations across the healthcare spectrum, particularly within policy advisory
- **TrialCard** via their sponsor, Odyssey Investment Partners, acquired Triangle Insights Group (*Advised by Clearsight*), a life sciences strategy consultancy specializing in R&D, portfolio strategy, new product planning and commercialization support. Triangle further equips TrialCard with both top talent and expertise

Horizon: Big Four Audit Firms Continue to Explore Split

Deloitte and EY Potentially Exploring Options, Competitors like
KPMG and PwC Face Similar Pressures

UK Regulators are looking to improve governance considering recent failures such as Carillion and BHS

- As we've covered in previous updates, the Big Four have developed massive consulting arms, and regulatory sentiment indicates that growing consulting divisions could have a detrimental impact on the quality of independent audit services. While no definitive moves have happened thus far, each firm is weighing its options, potentially contacting bankers, and keeping a pulse on regulatory views

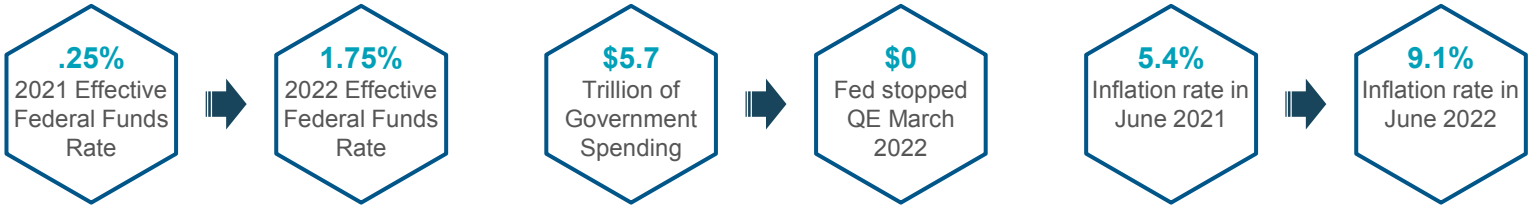
Source: Wall Street Journal, Pitchbook, CapIQ, Company Websites

Sector Spotlight

Investors Jump to Acquire Restructuring Advisory Capabilities

As the consulting M&A market continues to see significant deal flow, a new service emerged as a premium offering in Q2: Restructuring Advisory. Bankruptcies were notably lower in 2021 than 2020. However, as drivers like high government spending, low interest rates and booming economic activity come to an end, investors are expecting high demand for restructuring services and are racing to acquire those capabilities. Leech Tishman acquired respected law firm Robinson Brog, known for their top-tier restructuring and insolvency practice. Armanino also bolstered their restructuring capabilities with the acquisition of Drucker & Scaccetti in May. Citizens Financial looked to hedge future economic uncertainty with their acquisition of DH Capital.

Drivers behind low bankruptcy rates in 2021 disappear in the first half of 2022



Deal Analysis

Robinson Brog

May 16, 2022

Leech Tishman folded in law firm Robinson Brog. Robinson Brog is best known for its depth of legal expertise in business restructuring and insolvency, commercial and construction litigation and complex real estate transactions. The transaction will bolster Leech Tishman's Business Restructuring & Insolvency practice

Leech Tishman

Morrow Sodali

April 25, 2022

TPG Growth acquired a majority stake in Morrow Sodali. Morrow Sodali is a leading global shareholder engagement and governance advisory firm offering advisory relating to M&A, shareholder activist initiatives, cross-border transactions and debt restructuring services. TPG will advance Morrow Sodali's mission to provide insightful strategic advice and high quality support

TPG Growth

DH Capital

June 8, 2022

Citizens Financial Group acquired DH Capital after announcing the transaction in 2021. DH Capital is an investment bank serving companies in the internet infrastructure, software and IT sectors. The firm offers a variety of services including M&A advisory, private capital placement and financial restructuring. The acquisition further expands Citizens' corporate advisory capabilities

Citizens Financial Group

Drucker & Scaccetti

May 10, 2022

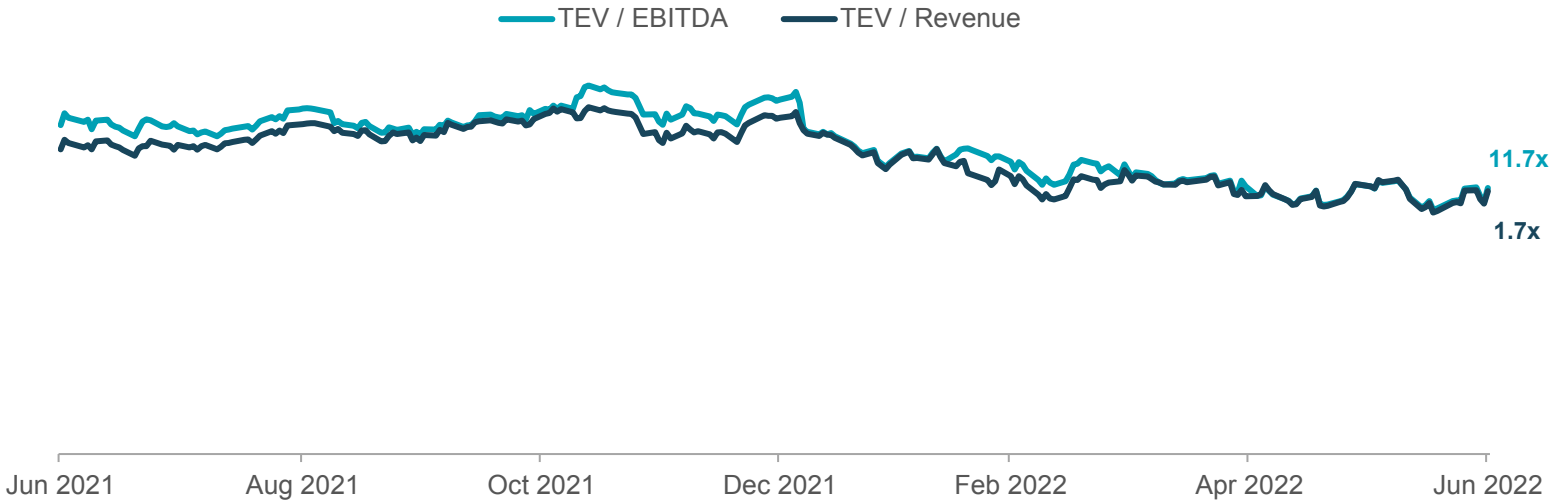
The partners and employees of tax firm Drucker & Scaccetti joined Armanino effective July 1, 2022. Drucker & Scaccetti offer international tax consulting, business consulting and liquidity and restructuring services. Drucker & Scaccetti's tax expertise will complement Armanino's plethora of specialty tax practices, wide range of consulting services and software

Armanino

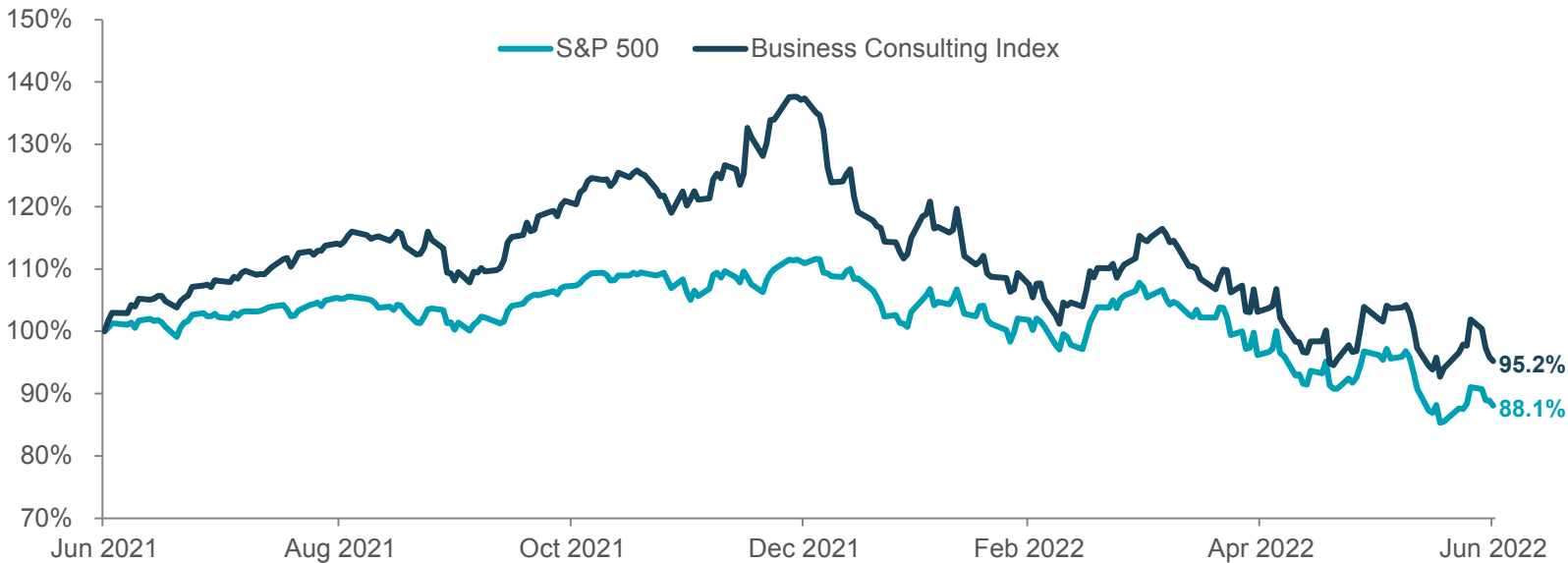


Public Market Performance

The Business Consulting Index Revenue and EBITDA multiples stayed relatively flat throughout Q2 2022



Both the S&P500 and Business Consulting Index experienced declining market performance with the latter marginally outperforming



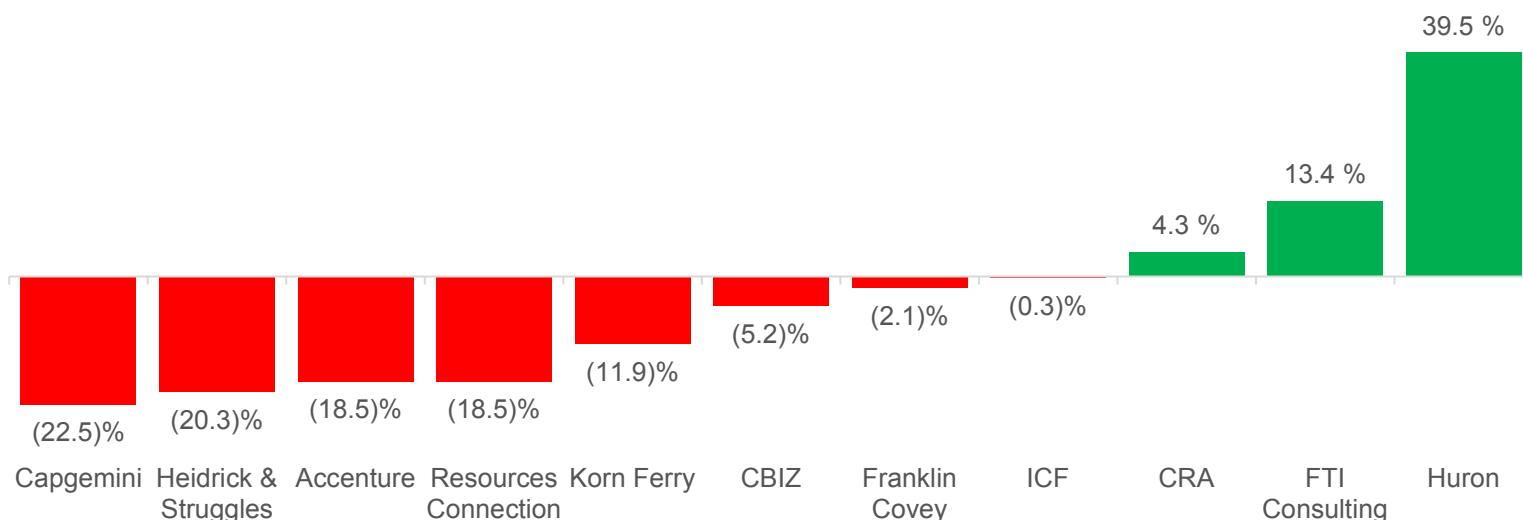
Source: Public market data as of 30-June-2022, Capital IQ

Note: Revenue and EBITDA multiples represent the average multiples of the Business Consulting Index.



Public Market Performance

Business Consulting companies followed the macroeconomic trends in Q2, reporting decreases in stock price throughout the quarter



The Business Consulting Index saw multiples decline alongside the broader market during Q2 2022

	Closing Price 30-Jun-2022	% of 52 Week High	Equity Market Cap	Enterprise Value	EV / Revenue Multiples			EV / EBITDA Multiples			LTM EBITDA Margin
					LTM	2022	2023	LTM	2022	2023	
Professional Services											
Accenture	\$277.65	66.5%	\$189,060	\$186,463	3.1x	3.0x	2.7x	18.6x	15.9x	14.6x	16.9%
Cappgemini	170.87	74.2	29,821	34,070	1.6	1.6	1.5	12.5	11.7	10.5	13.2
CBIZ	39.96	90.5	2,132	2,650	2.2	2.0	1.9	16.5	14.8	13.4	13.5
CRA International	89.32	76.5	685	776	1.4	1.3	1.2	11.2	11.5	11.0	12.2
Franklin Covey	46.18	87.9	641	615	2.4	2.3	2.1	20.3	14.9	N/A	12.0
FTI Consulting	180.85	99.3	6,548	6,862	2.4	2.3	2.1	19.7	18.2	15.2	12.4
Heidrick & Struggles	32.36	64.7	671	485	0.4	0.4	0.4	3.7	3.6	4.0	12.0
Huron Consulting	64.99	99.9	1,468	1,856	1.9	1.8	1.7	19.3	15.2	13.5	10.0
ICF International	95.00	87.8	1,863	2,539	1.6	1.5	1.4	16.7	14.5	13.2	9.6
Korn Ferry	58.02	68.5	3,191	2,756	1.0	1.0	1.0	5.3	5.1	6.1	19.7
Resources Connection	20.37	94.2	710	706	0.9	0.9	0.8	8.8	7.3	6.7	10.6
High		99.9%	\$189,060	\$186,463	3.1x	3.0x	2.7x	20.3x	18.2x	15.2x	19.7%
Median		87.8	1,863	2,539	1.6	1.6	1.5	16.5	14.5	12.1	12.0
Mean		82.7	21,526	21,798	1.7	1.6	1.5	13.9	12.1	10.8	12.9
Low		64.7	641	485	0.4	0.4	0.4	3.7	3.6	4.0	9.6

Source: Public market data as of 30-June-2022, Capital IQ

Note: Multiples charts may differ from Comparable Company Analysis figures due to detailed adjustments made to the Comparable Company Analysis.



M&A Activity

Date	Target	Buyer	Summary
4/8/2022	QS-2	EY-Parthenon	<ul style="list-style-type: none"> QS-2 provides technical, analytics and engineering consulting services to clients in the federal and commercial sectors EY-Parthenon's acquisition of QS-2 will enrich their business transformation strategies through scientific and analytics capabilities
4/8/2022	Avieco	Accenture	<ul style="list-style-type: none"> Avieco is a sustainability consulting firm offering environmental, social and governance measurement and reporting The acquisition of Avieco will bring expertise in net zero strategy and real-time data analytics to Accenture's Sustainability Services
4/11/2022	Citrin Cooperman	New Mountain Capital	<ul style="list-style-type: none"> Citrin Cooperman provides business advisory services to middle-market businesses across a variety of industries NMC brings Citrin Cooperman expertise in the financial services, governance, risk and compliance sectors
4/11/2022	Convergence Acceleration Solutions	Wipro	<ul style="list-style-type: none"> Convergence Acceleration Solutions provides consulting and technology transformation to communication service providers The acquisition will bring an end-to-end professional services solution to Wipro's telecom clients
4/12/2022	Triangle Insights Group	TrialCard	<ul style="list-style-type: none"> Triangle Insights Group offers consulting services, R&D, portfolio strategy and P&MA expertise to life sciences companies Triangle will provide commercialization and operational capabilities to TrialCard's patient and provider solutions
4/26/2022	Morrow Sodali	TPG Growth	<ul style="list-style-type: none"> Morrow Sodali is a shareholder engagement, corporate governance and strategic advisory firm The acquisition will allow Morrow Sodali to enhance its market leadership position with TPG's deep sector knowledge
5/31/2022	Proxima Procurement	Bain & Company	<ul style="list-style-type: none"> Proxima Procurement provides advisory and transformative strategic procurement services to private and government clients The acquisition of Proxima Procurement strengthens Bain & Company's global supply chain advisory services
5/31/2022	Open Health Communications	Astorg Partners	<ul style="list-style-type: none"> Open Health Communications provides scientific communication and market access services to pharmaceutical companies The investment by Astorg brings industry expertise to Open Health's global scientific-focused medical affairs platform
6/7/2022	Avalere Health	Fishawack	<ul style="list-style-type: none"> Avalere Health is a policy-focused healthcare consulting business providing policy advisory services in the healthcare sector The acquisition deepens Fishawack's US market presence and expands their value, evidence, access and policy offerings
6/7/2022	SAI MedPartners	Northlane Capital Partners	<ul style="list-style-type: none"> SAI MedPartners provides competitive intelligence and strategy services to its clients across the product development lifecycle The platform investment in SAI MedPartners will strengthen the pharmaceutical services focus of NCP's healthcare vertical
6/21/2022	memoryBlue	Avesi Partners	<ul style="list-style-type: none"> memoryBlue is an outsourced sales development consulting firm serving the technology industry as a sales acceleration partner Avesi's investment will expand memoryBlue's geographic presence and widen their reach in the technology ecosystem

■ = ClearSight acted as an advisor to Triangle Insights Group, Avalere Health and Avesi Partners

About ClearSight

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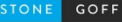

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