

# Business Consulting Market Monitor

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## ESG Emerges as Mission Critical

Shifting Internal Priorities and Regulatory Necessity Lead to Record Consulting ESG Activity

### Marquee Transactions Denote Renewed Demand for ESG Consulting

- Proper ESG conduct and reporting is a known priority among companies. However, nearly two-thirds of individuals surveyed by a recent KPMG report noted that they faced significant challenges in expertise and resources when dealing with ESG reporting and initiatives
- Additionally, numerous mandatory sustainability reporting policies are coming into play via upcoming regulations by the US (2023), Canada (2024) and EU (2025). As global initiatives increase annually, they capture more businesses in their regulatory grip
- Unsurprisingly, this void of expertise is driving demand for ESG consulting firms. Even big-name consultancies like Boston Consulting Group and EY are joining the movement with strategic acquisitions in the ESG consulting arena
- Notable transactions include **Boston Consulting Group's** acquisition of **Quantis**, **EY's** acquisition of **AFARA** and **Tetra Tech's** acquisition of **RPS Group**

## Jump in Marketing and Advertising Transactions

Q3 Marked by Numerous Marketing and Advertising Deals

### RFE Investment Partners and Goodway Group Execute on Marketing & Advertising Theses

- **RFE Investment Partners** acquired the multi-industry sales and marketing consultancy **Sales Empowerment Group**. The acquisition of Sales Empowerment Group enables RFE to further penetrate the marketing and advertising space
- **Goodway Group** acquired **Canton Marketing Solutions**, a digital marketing consultancy specializing in developing campaigns through a multi-pronged, omni-channel approach. Canton Marketing will merge with Goodway's existing marketing transformation consultancy, Control v. Exposed

## On the Horizon: Elite Consultancies Evolve

Elite Consultancies Lean-In to Inorganic Growth Strategies

- **Boston Consulting Group** completed two acquisitions this September alone. Traditionally, BCG has focused on minority investments. The advent of three majority transactions thus far in 2022, including two last month, indicate the group may be embracing new inorganic growth avenues
- **Bain and Co.** completed its investment in **Trinity Life Sciences** in August. The deal will combine Trinity's expertise in biopharma and medtech with Bain's global consulting experience across the life sciences value chain. Additionally, Bain has completed five other full acquisitions thus far in 2022, a new record for the consultancy

Source: Wall Street Journal, Pitchbook, Capital IQ, Company Websites, KPMG

### Sector Leadership



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# Sector Spotlight

## Consolidation Accelerates Among Accounting Advisory Firms

Q3 was marked by significant activity within the financial advisory sector. Small to midsize firms with exceptional reputations are in high demand from both private equity and strategic buyers. Strategic acquisitions take center stage as large firms compete to gain market share during rapid consolidation. Baker Tilly and EisnerAmper continued their string of accounting advisory acquisitions this year with True Partners and Lurie, respectively. Citrin Cooperman was particularly acquisitive, closing four accounting M&A transactions in the third quarter, including Kingston Smith Barlevi, Shepard Schwartz & Harris, Untracht Early and Murray Devine & Company. While strategic transactions continue to rise in the space, private equity investments also abound. Accordion Partners and WilliamsMarston received equity investments from Charlesbank Capital Partners and Kelso & Company, respectively.

### Strategic Transactions (2022)



#### True Partners

Sep. 29, 2022

True Partners is known for its high-end tax services. The addition of True Partners to Baker Tilly brings a new capability in unclaimed property while complementing Baker Tilly's strong existing corporate tax talent



#### Lurie

Aug. 15, 2022

Lurie, a Minneapolis-based accounting and advisory firm, announced in August plans to join EisnerAmper. The addition of Lurie adds a strong Midwest presence to the east coast-heavy EisnerAmper team

#### Kingston Smith Barlevi (KSB) Jul. 1, 2022

Citrin Cooperman grew their California Entertainment Division with the acquisition of KSB, a Los Angeles-based accounting and advisory firm specializing in entertainment



#### Shepard Schwartz & Harris Jul. 18, 2022

Shepard Schwartz & Harris (SSH) joins the firm as the first Citrin Cooperman office in Chicago. The addition of SSH establishes Citrin Cooperman's Midwest presence

#### Untracht Early Aug. 1, 2022

Untracht Early, a specialist in alternative investments and experience with high-net-worth families, brings deep relationships with a roster of high-net-worth clients to Citrin

#### Murray Devine & Company Sep. 19, 2022

Murray Devine has provided leading valuation services for over 30 years. They bring a dedicated, talented team to Citrin Cooperman's Valuation Advisory Services Practice

### Private Equity Activity



Jul. 18, 2022

Accordion Partners focuses exclusively on the office of the CFO, providing high-impact advice to PE-backed companies. Charlesbank Capital Partners' investment will drive Accordion's next stage of ambitious growth

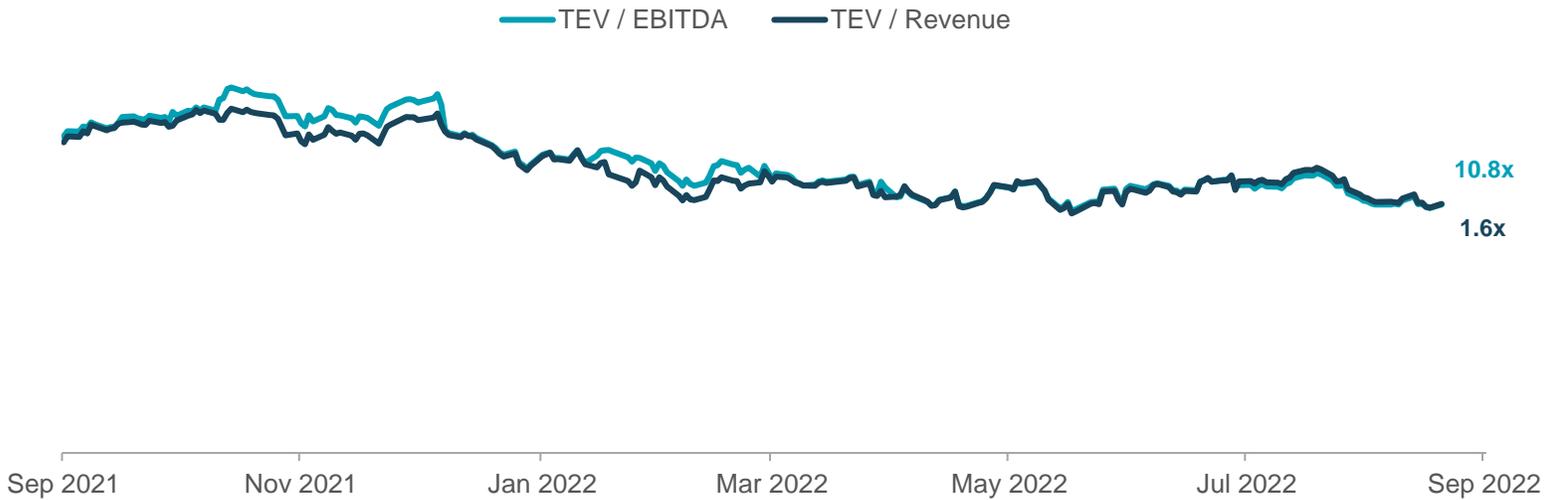


Aug. 30, 2022

WilliamsMarston is a trusted advisor to CFOs with a reputation for providing top-tier expertise. Kelso & Company will partner with WilliamsMarston to drive growth and further establish the firm as a leader

# Public Market Performance

The Business Consulting Index revenue and EBITDA multiples declined slightly throughout Q3 2022



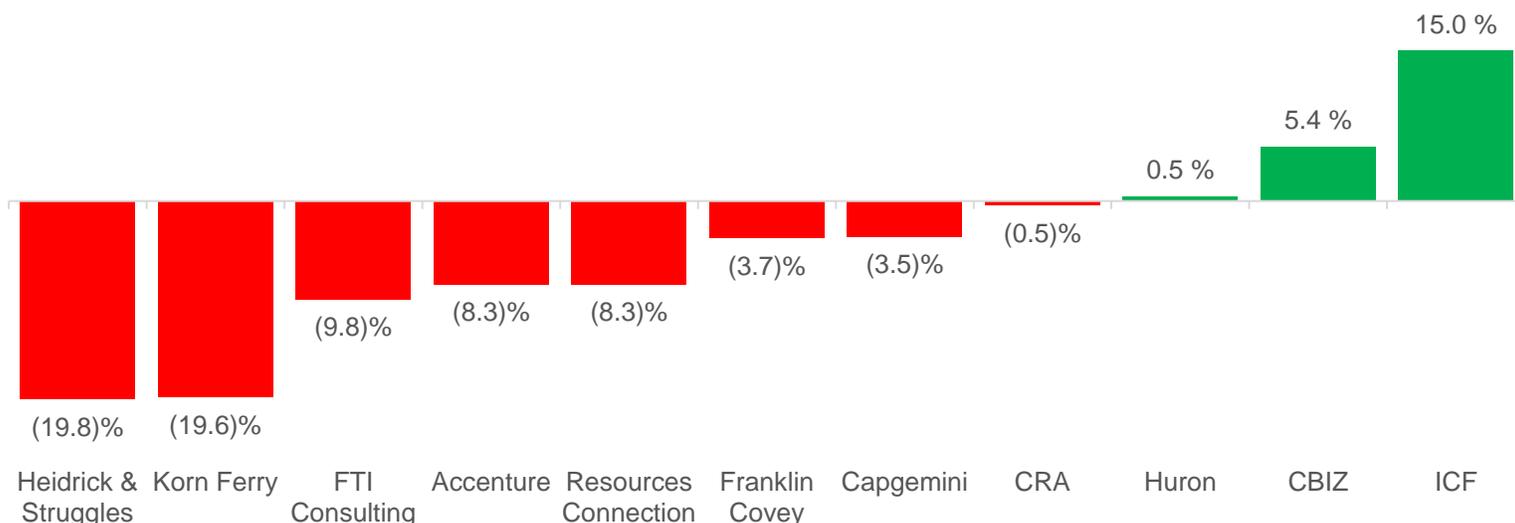
The Business Consulting Index followed general market trends, facing a decline alongside the S&P 500 in Q3 2022



Source: Public market data as of 30-September-2022, Capital IQ  
Note: Revenue and EBITDA multiples represent the average multiples of the Business Consulting Index.

# Public Market Performance

During Q3 2022, the Business Consulting Index saw declining trends due to the omnipresent uncertainty across financial markets



Business Consulting industry multiples declined in Q3 2022 as the market continues to feel the weight of slower economic growth

	Closing Price 30-Sep-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	
<b>Professional Services</b>											
Accenture	\$257.30	61.6%	\$174,931	\$171,004	2.8x	2.7x	2.6x	16.4x	14.7x	13.8x	16.9%
Capgemini	162.29	75.2	28,612	33,453	1.6	1.6	1.5	12.0	11.3	10.1	13.2
CBIZ	42.78	88.3	2,249	2,735	2.1	2.0	1.9	13.8	14.7	13.3	15.5
CRA International	88.74	76.0	662	776	1.4	1.3	1.2	11.4	11.2	10.7	12.0
Franklin Covey	45.39	83.9	630	604	2.4	2.3	2.0	19.9	14.6	N/A	12.0
FTI Consulting	165.71	87.0	6,010	6,287	2.2	2.1	1.9	19.1	17.1	13.9	11.5
Heidrick & Struggles	25.99	51.9	540	281	0.2	0.3	0.3	2.3	2.1	2.4	11.0
Huron Consulting	66.25	91.2	1,465	1,855	1.8	1.7	1.6	16.7	14.8	13.0	11.0
ICF International	109.02	98.1	2,140	2,797	1.7	1.6	1.4	18.4	14.6	13.1	9.4
Korn Ferry	46.95	55.4	2,603	2,481	0.9	0.9	0.9	4.7	4.7	5.1	19.3
Resources Connection	18.07	78.0	634	604	0.7	0.7	0.7	6.1	5.4	6.2	12.0
<b>High</b>		<b>98.1%</b>	<b>\$174,931</b>	<b>\$171,004</b>	<b>2.8x</b>	<b>2.7x</b>	<b>2.6x</b>	<b>19.9x</b>	<b>17.1x</b>	<b>13.9x</b>	<b>19.3%</b>
<b>Median</b>		<b>78.0</b>	<b>2,140</b>	<b>2,481</b>	<b>1.7</b>	<b>1.6</b>	<b>1.5</b>	<b>13.8</b>	<b>14.6</b>	<b>11.9</b>	<b>12.0</b>
<b>Mean</b>		<b>77.0</b>	<b>20,043</b>	<b>20,262</b>	<b>1.6</b>	<b>1.6</b>	<b>1.5</b>	<b>12.8</b>	<b>11.4</b>	<b>10.2</b>	<b>13.1</b>
<b>Low</b>		<b>51.9</b>	<b>540</b>	<b>281</b>	<b>0.2</b>	<b>0.3</b>	<b>0.3</b>	<b>2.3</b>	<b>2.1</b>	<b>2.4</b>	<b>9.4</b>

Source: Public market data as of 30-September-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
7/6/2022	<b>DBO Partners</b>	<b>Piper Sandler</b>	<ul style="list-style-type: none"> <li>• DBO Partners is a boutique technology-focused investment bank that provides M&amp;A, strategic planning, business valuation and business consulting services</li> <li>• The acquisition of DBO Partners expands Piper Sandler's ability to serve clients in the technology industry</li> </ul>
7/11/2022	<b>Harmony Healthcare</b>	<b>Addison Group</b>	<ul style="list-style-type: none"> <li>• Harmony Healthcare is a human capital management company providing non-clinical healthcare workforce and strategic consulting solutions</li> <li>• The acquisition of Harmony further strengthens Addison's non-clinical healthcare services practice</li> </ul>
8/8/2022	<b>Trinity Life Sciences</b>	<b>Bain &amp; Company</b>	<ul style="list-style-type: none"> <li>• Trinity is a life sciences consulting firm focused on providing commercialization solutions and analysis to the healthcare sector</li> <li>• The partnership pairs Bain's extensive experience with Trinity's specialized, evidence-based solutions for life sciences companies</li> </ul>
8/15/2022	<b>Lurie</b>	<b>EisnerAmper</b>	<ul style="list-style-type: none"> <li>• Lurie provides accounting, audit, advisory, tax planning, technology assurance and wealth management services</li> <li>• The acquisition will expand EisnerAmper's operations into Minnesota and strengthen its geographical presence in Florida</li> </ul>
8/18/2022	<b>C2 Healthcare</b>	<b>Impact Advisors</b>	<ul style="list-style-type: none"> <li>• C2 Healthcare provides healthcare business intelligence consulting services focused on delivering bottom-line savings to healthcare organizations</li> <li>• The strategic partnership will allow Impact Advisors to continue to grow and enhance its workforce innovations service line</li> </ul>
9/8/2022	<b>Biopharma Global</b>	<b>Pace Life Sciences</b>	<ul style="list-style-type: none"> <li>• Biopharma uses FDA and EMA regulatory skills and knowledge across therapeutics areas to help drug developers advance treatments</li> <li>• The acquisition extends Pace's reach further into regulatory strategy, guidance and support in key therapeutic areas</li> </ul>
9/8/2022	<b>The Beacon Group</b>	<b>Accenture</b>	<ul style="list-style-type: none"> <li>• The Beacon Group is a growth strategy consultancy that serves Fortune 500 companies</li> <li>• The acquisition deepens Accenture's growth strategy consulting practice and bolsters its M&amp;A consulting services</li> </ul>
9/29/2022	<b>True Partners Consulting</b>	<b>Baker Tilly</b>	<ul style="list-style-type: none"> <li>• True Partners Consulting (TPC) provides tax and business advisory, consulting and audit services</li> <li>• Baker Tilly's acquisition of TPC will strengthen its tax practice and will add a new offering in unclaimed property</li> </ul>
9/30/2022	<b>The Focus Group</b>	<b>Health Management Associates</b>	<ul style="list-style-type: none"> <li>• The Focus Group's services include market intelligence, strategy development, business transformation and go-to-market execution</li> <li>• The strategic opportunity links HMA's depth in healthcare policy and payment with The Focus Group's focus on commercial growth</li> </ul>

 = Clearsight acted as an advisor to Harmony Healthcare



# About ClearSight

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