

Business Consulting Market Monitor

Market Overview

Sector Spotlight

Public Market Performance

M&A Activity

Transactions to Transform

Change Management and Leadership Advisory Consultancies Soar
In today's macro environment, companies that guide clients through strategic business model transformations are in high demand. Firms continue to invest in operational initiatives to keep up with complex and evolving business models

- **Russell Reynolds acquires Nvolv Partners**, a boutique leadership consulting firm serving C-suite executives. Through the acquisition, Russell Reynolds will bolster their client offerings and strengthen their position in the leadership advisory industry
- **North Highland (OMERS) acquires UMT 360**, a provider of software and services designed to drive business agility. The acquisition deepens North Highland's enterprise transformation capabilities while enhancing its business agility solutions

Investing in Talent Management

Interest in HR & Staffing Capabilities Continues Amid Hiring Instability
Talent shortages and layoffs continue to drive demand in the HR and staffing sector. Companies with diversified offerings such as staffing, recruiting, direct sourcing, talent management, leadership coaching, and workforce development are highly sought after

- **Oasys & Cie acquires Alerys Group**, a human resources consultancy offering recruitment, evaluation, and training services. The acquisition will accentuate Oasys & Cie's change management and career development consulting services
- **New Mountain Capital invests in ALKU**, a leading specialty staffing firm. New Mountain's experience in HCM and life sciences, combined with ALKU's other key markets, will enable ALKU to draw on a deep network of contacts and knowledge to support continued growth

ESG Focus is High Priority

Investors Infuse Capital into ESG and Sustainability Sector

Companies are turning to specialized ESG and sustainability consultancies despite recent, conflicting headlines. The sector continuously evolves alongside regulatory changes, creating an attractive opportunity for M&A

- **SLR Consulting (Ares) acquires Carnstone**, a London-headquartered sustainability and ESG consultancy. Carnstone's expertise in addressing social, environmental, and climate issues in their clients' corporate strategies and supply chains will enhance SLR's commitment to sustainability promotion
- **The Carlyle Group to acquire a majority stake in Anthesis Consulting**, a leading pure-play sustainability advisory and solutions firm. Carlyle's investment and advisory will support Anthesis as they continue to grow and implement change in the ESG space

Source: Pitchbook, Capital IQ, Company Websites

Sector Leadership



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Sector Spotlight

Strategic Investments to Expand Financial Service Offerings

Clients are increasingly asking for more holistic financial advice across an expanding range of financial topics such as taxes, accounting, restructuring, and investments. This has led to increased M&A activity amongst financial advisory firms as both consulting firms and financial services firms look to acquire these capabilities to round out their offerings. Ankura Consulting (MDP) and Fusion Consulting acquired Newstate Partners and Exceed Accountants, respectively. PE-backed financial services firms were active, with EisnerAmper (TowerBrook) acquiring Morrison & Morrison and Titan Wealth (Parthenon Capital) acquiring Square Mile Investment Consulting and Research.

Fusion Consulting

May 5, 2023

Exceed Accountants

Exceed Accountants is a UK-based accounting firm with over 500 local and international clients. The acquisition bolsters Fusion Consulting's financial services offering as the Company seeks to fill the 'advisory gap' businesses face from working with multiple advisors

Ankura (MDP)

May 12, 2023

Newstate Partners

Newstate Partners is a London-based advisor to governments, public sector institutions, and creditors on debt restructuring and asset and liability management issues. The acquisition enhances Ankura's position as a sovereign debt advisor and helps the Company deliver comprehensive solutions to clients managing complex issues

EisnerAmper (TowerBrook)

May 17, 2023¹

Morrison & Morrison

Morrison & Morrison is a Chicago-based accounting firm providing tax, accounting, and business consulting services to clients in a wide range of industries. The acquisition expands EisnerAmper's presence and service offerings in the Midwest

Armanino

June 5, 2023

Bemel, Ross & Avedon (BRA)

BRA works with leading film and music entertainers and executives to preserve and grow their net worth with solutions ranging from cash management and financial planning to real estate advisory. The acquisition will grow Armanino's business management practice across hot spots in Los Angeles, New York, and Nashville

Kohlberg & Company

June 9, 2023¹

Riveron Consulting

Riveron is a CFO advisory firm providing a wide range of consulting services to CFOs and investors, such as ESG, tax, accounting, M&A, operations, strategic communications, and technology services. Riveron fits in Kohlberg's CFO services sector focus, and the investment will help Riveron expand its suite of leading capabilities

Titan Wealth (Parthenon)

June 27, 2023¹

Square Mile Investment Consulting and Research

Square Mile is a London-based independent investment research firm that works with regulated professional services firms. The acquisition by Titan Wealth will help Square Mile grow and develop its range of client services and expand the firm's market footprint

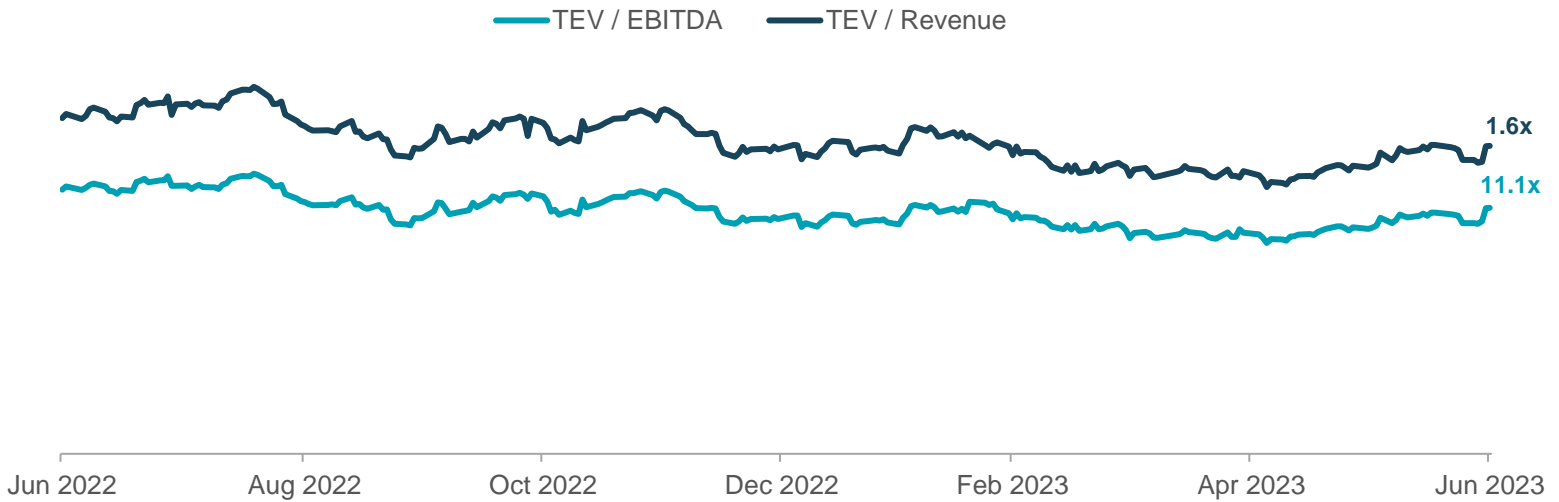


1. Deal announcement date.

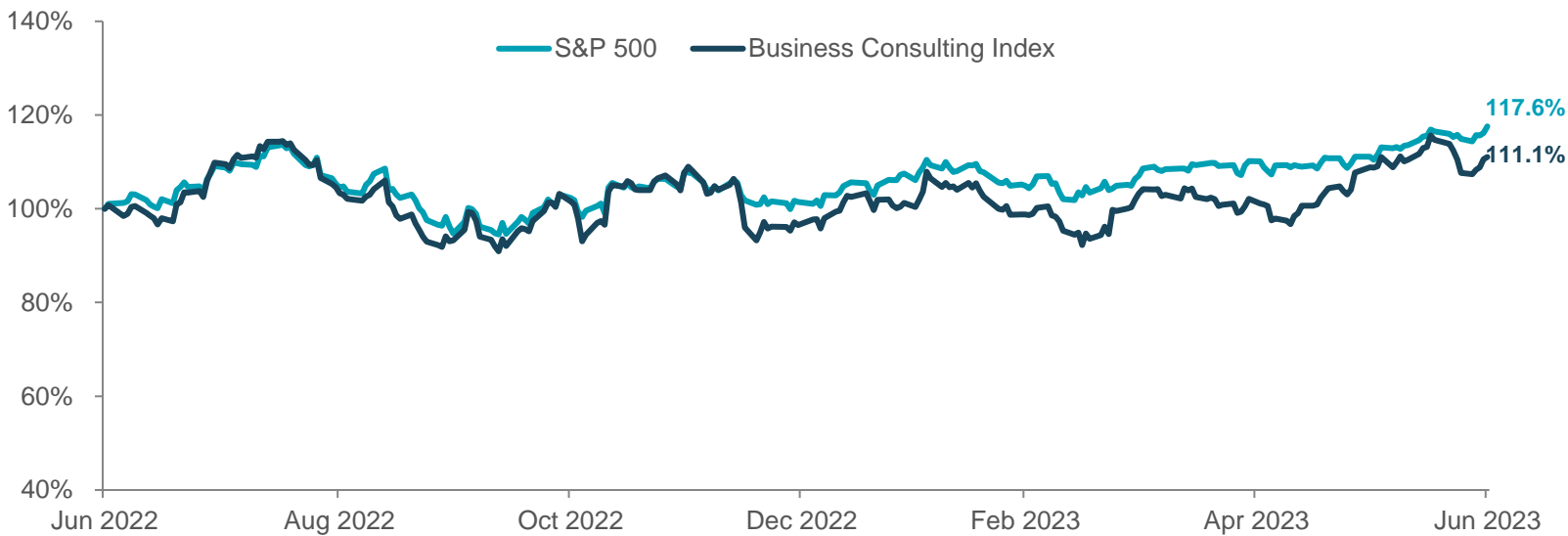
Source: Capital IQ, Pitchbook, Company Websites

Public Market Performance

The Business Consulting Index industry multiples slightly increased throughout Q2 2023



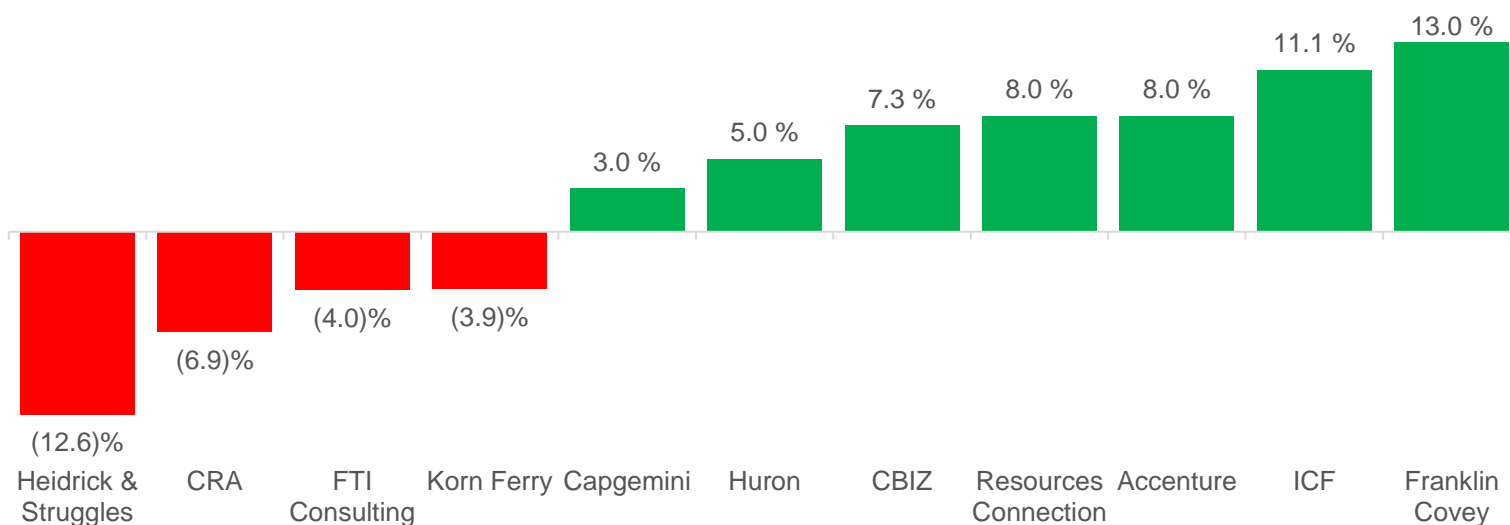
The Business Consulting Index followed general market trends, growing alongside the S&P500 in Q2 2023



Source: Public market data as of 30-June-2023, Capital IQ
Note: Revenue and EBITDA multiples represent the average multiples of the Business Consulting Index.

Public Market Performance

Most firms in the Business Consulting Index experienced increases in share prices over the quarter



Throughout Q2 2023, Business Consulting Revenue and EBITDA multiples remained relatively consistent

	Closing Price 30-Jun-2023	% of 52 Week High	Equity Market Cap	Enterprise Value	EV / Revenue Multiples			EV / EBITDA Multiples			LTM EBITDA Margin
					LTM	2023	2024	LTM	2023	2024	
Professional Services											
Accenture	\$308.58	94.1%	\$209,598	\$204,884	3.2x	3.2x	3.0x	18.9x	17.7x	15.9x	17.0%
Capgemini	189.47	89.6	33,443	36,842	1.6	1.5	1.4	11.6	10.2	9.2	13.5
CBIZ	53.28	97.6	2,713	3,333	2.3	2.2	2.1	15.0	15.5	14.2	15.1
CRA International	102.00	79.6	741	824	1.4	1.3	1.3	11.8	12.0	11.0	11.7
Franklin Covey	43.68	79.9	577	555	2.0	1.9	1.7	16.7	11.5	N/A	11.8
FTI Consulting	190.20	92.5	6,762	7,111	2.3	2.1	2.0	20.4	17.8	15.7	11.2
Heidrick & Struggles	26.47	75.3	549	426	0.4	0.4	0.4	3.8	4.1	3.9	10.8
Huron Consulting	84.91	97.1	1,761	2,250	1.9	1.8	1.6	16.8	14.6	12.8	11.3
ICF International	124.39	96.7	2,374	3,172	1.7	1.6	1.5	18.0	14.8	13.6	9.5
Korn Ferry	49.54	74.3	2,687	2,365	0.8	0.9	0.8	5.8	6.4	5.9	14.3
Resources Connection	15.71	67.8	549	464	0.6	0.6	0.6	4.9	5.0	5.8	11.8
High		97.6%	\$209,598	\$204,884	3.2x	3.2x	3.0x	20.4x	17.8x	15.9x	17.0%
Median		89.6	2,374	2,365	1.7	1.6	1.5	15.0	12.0	11.9	11.8
Mean		85.9	23,796	23,839	1.6	1.6	1.5	13.1	11.8	10.8	12.6
Low		67.8	549	426	0.4	0.4	0.4	3.8	4.1	3.9	9.5


Source: Public market data as of 30-June-2023, 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
4/12/2023	Makara Health Communications	Precision Medicine Group	<ul style="list-style-type: none"> Makara Health provides healthcare communication services intended for quality strategic development, scientifically robust programs, and creative delivery facilities The acquisition expands Precision's footprint and communications capabilities in Europe
4/25/2023	ALKU	New Mountain Capital	<ul style="list-style-type: none"> ALKU specializes in providing staffing and consulting services in the areas of ERP, healthcare, information technology, life sciences, government programs, and information security The partnership enables ALKU to draw on New Mountain Capital's network of contacts and knowledge to support continued growth
4/27/2023	Federal Management Partners (FMP)	Alaris Equity Partners	<ul style="list-style-type: none"> FMP is a strategic consulting firm that offers services in human capital planning, human resources, learning solutions, and organizational development Alaris' investment supports FMP's mission to be at the forefront of every government-wide capital initiative
5/11/2023	Beghou Consulting	Varsity Healthcare Partners	<ul style="list-style-type: none"> Beghou is a life sciences consultancy helping pharmaceutical companies' commercial teams maximize their sales and marketing results using technology- and data-enabled solutions The investment will help Beghou expand and strengthen its global resources and capabilities
6/5/2023	Triple Crown Consulting	WestView Capital Partners	<ul style="list-style-type: none"> Triple Crown is an IT staffing and recruitment firm that provides the digital economy with valuable engineers, developers, architects, coders, and IT specialists The investment will provide Triple Crown with valuable experience and capital to enable continued growth
6/5/2023	Bemel, Ross & Avedon	Armanino	<ul style="list-style-type: none"> Bemel, Ross & Avedon offers personalized wealth management services catering primarily to the film and music industry The acquisition reinforces Armanino's ability to provide value-added services from tax and technology consulting to business management
6/6/2023	The Independents	TowerBrook Capital Partners, FL Entertainment	<ul style="list-style-type: none"> The Independents offers branding, marketing, communications, and event management services, specializing in the luxury and lifestyle sectors The investment will help accelerate The Independents' development and international expansion
6/9/2023	Riveron Consulting	Kohlberg & Company	<ul style="list-style-type: none"> Riveron is a national business advisory firm focused on the office of the CFO, private equity, and other capital providers The acquisition will help Riveron accelerate their path to becoming a preeminent independent financial consulting firm serving corporate management teams and private equity firms
6/21/2023	Anser Advisory	Accenture	<ul style="list-style-type: none"> Anser Advisory provides capital program advisory and consulting services to public and private customers across various industries The acquisition will enhance Accenture's ability to help companies and state and local public sector organizations complete large, long-term infrastructure projects

 = ClearSight acted as advisor to Beghou Consulting

About ClearSight

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