

Business Consulting Market Monitor

Market Overview

Sector Spotlight

Public Market Performance

M&A Activity

Sector Leadership



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Economic Consulting Services are in High Demand

Turbulent Macroeconomic Conditions Spark Interest

Firms are investing in economic consulting capabilities to leverage countercyclical demand amid a challenging macroeconomic environment. The ever-evolving regulatory environment is also a force behind economic consulting demand

- **Resolution Economics (Levine Leichtman) acquires The Red Maple Group**, an economic and financial consulting service provider to corporate, government, legal, and estate planning professionals. The acquisition will expand Resolution Economics' expertise in business valuations and CFO advisory
- **Accenture acquires Vocatus**, a behavioral economics consulting firm headquartered in Munich, Germany. The acquisition will bolster Accenture's pricing and sales optimization offerings with Vocatus' differentiated approach to behavior-based pricing

Strat Comms is a Priority Investment Area

Changing Tech, Political, and Social Movements Catalyze Demand

Because of the fragility of corporate reputations, firms are leaning on strategic communications ("Strat Comms") firms to manage their communications. Technological changes and long-lasting social and political movements are among factors driving Strat Comms demand

- **Farner International acquires Lansons Communications**, a London-based reputation management agency. The acquisition of Lansons expands Farner International's European presence with a flagship UK shop
- **Havas acquires Klareco Communications**, Southeast Asia's leading corporate, financial, and strategic communications consultancy. The acquisition will strengthen Havas' strategic communications arm in Asia-Pacific

Continued Effort to Expand Financial Capabilities

Investors and Strategics Remain Focused on Financial Services

Significant M&A among financial advisory firms continues as companies look to round out their offerings. Consolidation among accounting firms, both large and small, and private equity activity in the space abounds

- **Pamlico invests in Your Part-Time Controller**, a provider of outsourced accounting, bookkeeping, and financial advisory services to nonprofits. The investment from Pamlico will help Your Part-Time Controller advance its mission to build stronger nonprofits
- **Cherry Bekaert (Parthenon Capital) acquires PKF Mueller**, a full-service public accounting and business advisory firm. The acquisition will help Cherry Bekaert expand its reach in the Chicago area

Sector Spotlight

Rising Interest in Boutique Consultancies

As businesses face increasingly complex challenges in today's environment, the demand for specialized knowledge and expertise continues to grow. Boutique consultancies continue to garner interest as clients seek tailored services designed to address unique business needs. Despite today's economic environment, investors continue to search for high-quality talent. This has led to increased M&A activity among boutique consulting firms as companies and investors look to acquire capabilities to differentiate and innovate in specific industries. Organizational transformation and change management capabilities are highly sought-after, as seen through Elixirr and IRI Consultants' respective acquisitions of Insigniam and PeopleResults.

BryteBridge

December 13, 2023

RFE Investment Partners,
Knox Capital

BryteBridge is a leading provider of consulting and administrative services for nonprofit organizations. The investment will enable BryteBridge to diversify into a full-service, technology-enabled, legal and compliance services platform

Insigniam

December 11, 2023

Elixirr

Insigniam is a leading global consultancy specializing in organizational breakthroughs, innovation, and transformation. The acquisition will diversify Elixirr's service offerings and expand its presence in the US and European markets

Altius Sports Partners

November 6, 2023

underdog & company
(NewSpring Capital)

Altius Sports Partners is a market-leading advisor to collegiate athletics departments, providing education, strategic guidance, and execution support. The acquisition will provide Altius Sports Partners with an influx of talent from underdog & company to expand its service offerings

PeopleResults

November 1, 2023

IRI Consultants
(Clearview Capital)

PeopleResults provides innovative solutions across change management, human capital, and learning and development services. The acquisition will strengthen IRI Consultants' client base and human capital capabilities

The Storytellers

October 13, 2023

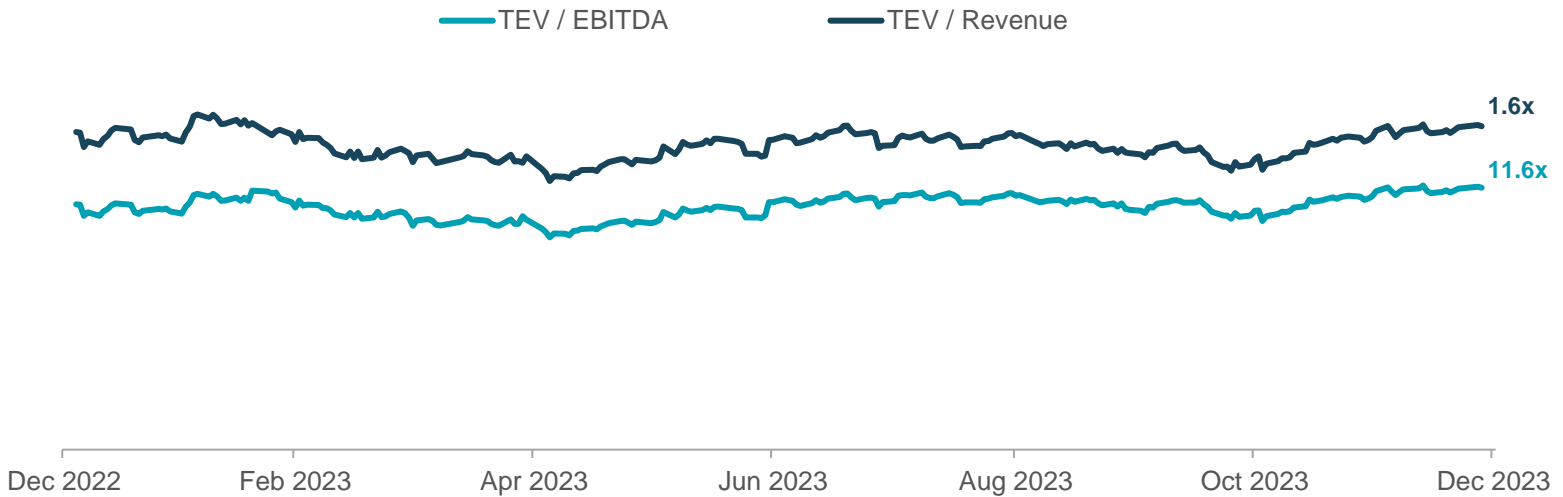
Accenture

The Storytellers is a London-based creative management consultancy that partners with C-suite leaders. The acquisition will enhance Accenture's capabilities in transformational change and creative communications

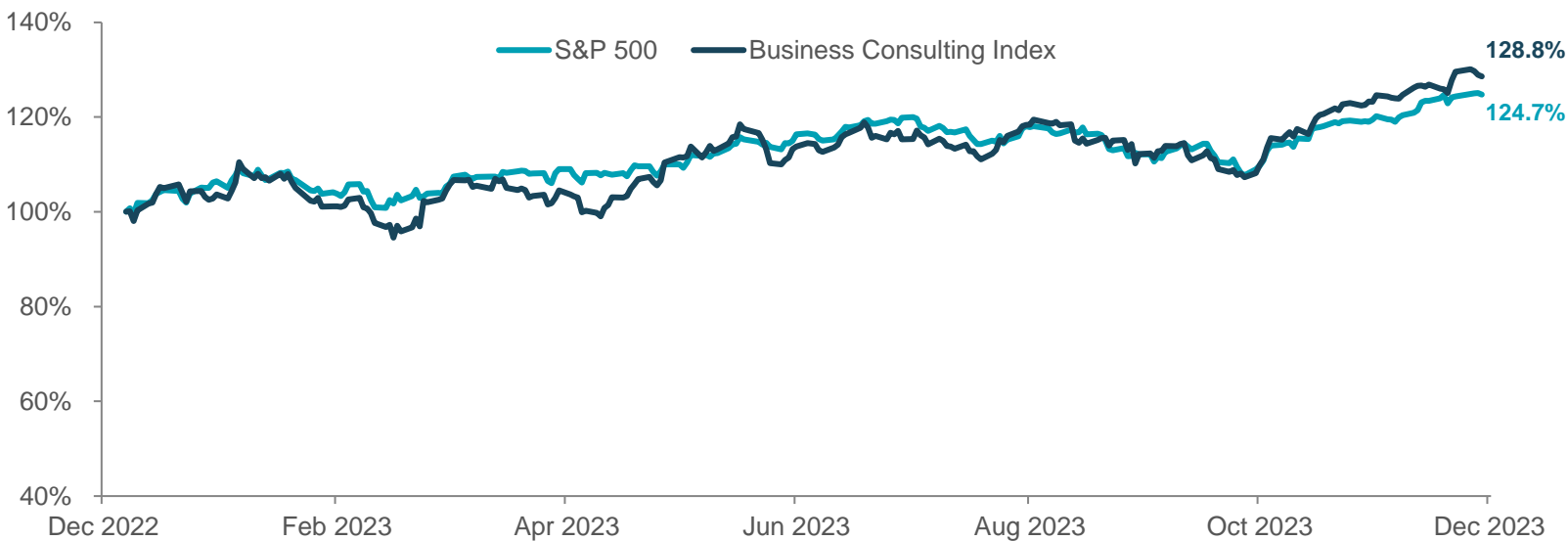


Public Market Performance

The Business Consulting Index industry multiples experienced a moderate rebound in Q4 2023



The Business Consulting Index slightly outperformed the S&P 500 in Q4 2023



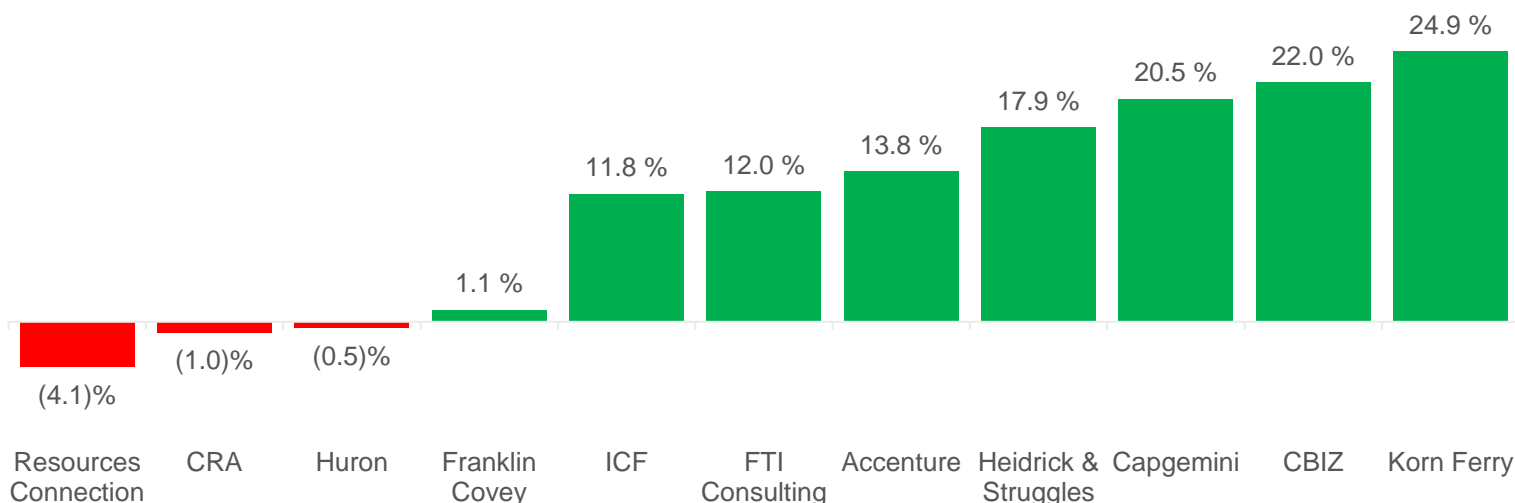
Source: Public market data as of 31-December-2023, Capital IQ

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



Public Market Performance

The fourth quarter was characterized by growth, as most firms in the Business Consulting Index experienced share price increases



Throughout Q4 2023, Business Consulting Revenue and EBITDA multiples remained relatively consistent

	Closing Price 31-Dec-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	\$350.91	98.7%	\$239,458	\$236,201	3.7x	3.7x	3.5x	20.9x	20.5x	18.4x	17.5%
Capgemini	208.63	96.0	37,180	40,492	1.6	1.6	1.6	12.1	11.5	10.6	13.5
CBIZ	62.59	99.2	3,168	3,777	2.4	2.4	2.3	18.8	17.2	15.8	12.9
CRA International	98.85	77.2	716	800	1.3	1.3	1.2	12.0	12.5	11.3	10.9
Franklin Covey	43.53	87.5	579	558	2.0	2.0	1.8	16.6	11.7	9.9	12.1
FTI Consulting	199.15	85.8	7,386	7,687	2.3	2.3	2.1	19.4	20.0	17.3	11.8
Heidrick & Struggles	29.53	84.0	622	364	0.4	0.4	0.3	3.8	2.9	3.1	9.6
Huron Consulting	102.80	90.7	2,086	2,485	1.9	1.8	1.7	16.0	14.8	13.0	11.6
ICF International	134.09	92.2	2,563	3,286	1.7	1.7	1.6	17.4	15.5	14.5	9.6
Korn Ferry	59.35	98.6	3,243	3,140	1.1	1.1	1.1	9.7	8.1	7.7	11.5
Resources Connection	14.17	75.6	496	417	0.6	0.6	0.6	8.0	6.2	7.3	7.4
High		99.2%	\$239,458	\$236,201	3.7x	3.7x	3.5x	20.9x	20.5x	18.4x	17.5%
Median		90.7	2,563	3,140	1.7	1.7	1.6	16.0	12.5	11.3	11.6
Mean		89.6	27,045	27,201	1.7	1.7	1.6	14.1	12.8	11.7	11.7
Low		75.6	496	364	0.4	0.4	0.3	3.8	2.9	3.1	7.4

Source: Public market data as of 31-December-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
10/5/2023	Medical Record Associates	GeBBS Healthcare (ChrysCapital)	<ul style="list-style-type: none"> Medical Record Associates (MRA) is a health information management solutions, auditing, and cancer registry services provider to hospitals and healthcare providers The acquisition expands GeBBS' market reach, service offerings, and geographical footprint
11/1/2023	PeopleResults	IRI Consultants (Clearview Capital)	<ul style="list-style-type: none"> PeopleResults provides human capital, change management, and organizational development consulting services to a wide set of industries The acquisition further expands IRI Consultants' capabilities set and broadens its organizational development practice
11/2/2023	The Shelby Group	Accenture	<ul style="list-style-type: none"> The Shelby Group is a leading consultancy that provides platform implementation, program optimization, and procurement operations solutions The acquisition enhances Accenture's sourcing, procurement technology, and supply chain transformation capabilities
11/15/2023	Your Part-Time Controller	Pamlico Capital	<ul style="list-style-type: none"> Your Part-Time Controller provides outsourced accounting and financial advisory services to nonprofit organizations The strategic growth partnership supports Your Part-Time Controller's commitment to building stronger nonprofits
11/15/2023	CloudGo	RGP	<ul style="list-style-type: none"> CloudGo is an IT consulting and Elite ServiceNow consulting firm supporting clients' digital transformation and technology needs The strategic partnership accelerates the expansion of RGP's global digital consulting business and strengthens the Company's IT and digital transformation capabilities
11/28/2023	Incapsulate	Accenture	<ul style="list-style-type: none"> Incapsulate is a management and IT consulting firm providing Salesforce implementation and digital transformation services The acquisition expands Accenture's Salesforce capabilities and market reach across the public sector and financial services industries
12/4/2023	The Red Maple Group	Resolution Economics (Levine Leichtman)	<ul style="list-style-type: none"> The Red Maple Group is an economic and forensic accounting consulting firm serving business and government leaders, litigators, and estate planning professionals The acquisition bolsters Resolution Economics' Financial Advisory Services practice group
12/11/2023	Insigniam	Elixirr	<ul style="list-style-type: none"> Insigniam is a boutique management consultancy focused on catalyzing breakthrough results for clients The acquisition expands Elixirr's reach into US and European markets and enhances its strategic advisory and management consulting capabilities
12/14/2023	Guidehouse	Bain Capital	<ul style="list-style-type: none"> Guidehouse is a management consulting and financial advisory firm providing strategic, financial, technology, and risk advisory services to a wide set of industries The investment supports Guidehouse's rapid strategic growth objectives to enhance its delivery capabilities

■ = ClearSight acted as advisor to Medical Record Associates, PeopleResults, RGP, Incapsulate, and Insigniam on their respective transactions

About ClearSight

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