

# Business Consulting Market Monitor

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## Growing M&A Appetite for Restructuring and Financial Advisory Firms

Over the past few months, we've seen an increased appetite for restructuring advisory firms by private equity and PE-backed platforms. There are a number of market factors driving the need for restructuring and financial advisory services. Government stimulus checks and a prolonged period of cheaper capital contributed to abnormally low levels of bankruptcy filings over the past few years. However, corporate bankruptcy filings are now on the rise, with a 40% increase in 2023.<sup>1</sup> In addition, consumer and corporate debt are at all-time highs. This trend is reflected in Clearsight's client base, having closed two deals in the restructuring space in the past nine months (see below), with another on the way. We expect to see more interest in the space from the M&A community as the year progresses.

Most recently, Clearsight served as the financial advisor to Province on an investment from Trivest Partners. Province is a nationally recognized, independent advisory firm offering a comprehensive suite of multi-disciplinary services designed to help institutional investors, debtors, creditors, and trustees navigate complex strategic, financial, operational, and legal challenges. The company's services are focused on creditor, investor, and corporate advisory, as well as performance improvement, trust & liquidation, and litigation services. Trivest's investment will serve to accelerate Province's growth plans and further cement its position as a leading financial advisory and consulting platform with a diversified service offering.

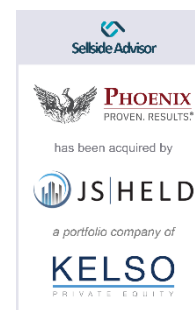
In October 2023, Clearsight advised Phoenix in its acquisition by J.S. Held, a portfolio company of Kelso. Phoenix offers operationally focused turnaround, transaction, and investor services as well as sell-side and buy-side M&A advisory services, private debt, and equity placements. The acquisition helped J.S. Held strengthen its prowess in turnaround management, investor services, and investment banking solutions.

### Sector Leadership



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<sup>1</sup>. Fitch Ratings.

# Sector Spotlight

## Strategic Investments Expand Human Capital Consulting Capabilities

Clients are increasingly seeking partners with advanced human capital and organizational development expertise as they manage complex change initiatives and navigate an everchanging labor market. This trend has led to increased M&A activity among human capital consulting firms as larger consultancies look to round out their capability sets. In the past quarter alone, ShiftPixy and QuantumWork acquired Human Bees and KatThree, respectively. Pearl Meyer acquired Blake Street Group, and Keystone Partners and Hueman People Solutions acquired the Ayers Group and PrincetonOne, respectively.

**QuantumWork**  
**May 2, 2024**  
**KatThree**

KatThree is a workforce management consultancy specializing in workforce acquisition, management, and operations. The acquisition enhances QuantumWork's presence within Europe and adds expertise across talent acquisition, workforce management, and AI

**Keystone Partners**  
**(Silver Oak Services Partners)**  
**June 12, 2024**  
**The Ayers Group**

The Ayers Group is a specialized consultancy that provides guidance on issues pertaining to human resources and organizational development. The acquisition strengthens Keystone Partners' ability to deliver career management and leadership transformation solutions

**Pearl Meyer**  
**(Main Street Capital)**  
**June 17, 2024**  
**Blake Street Group**

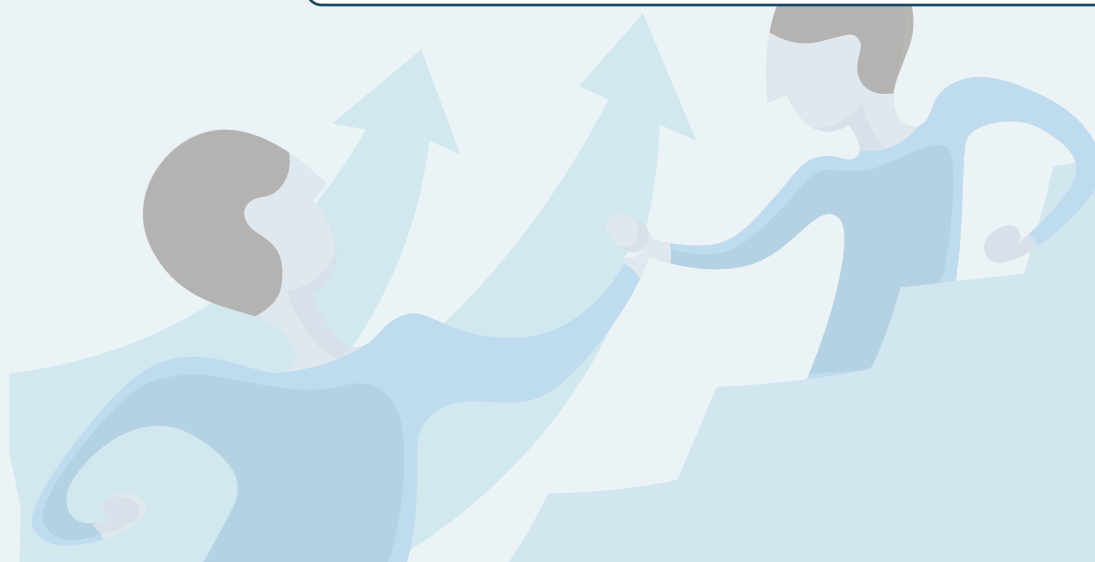
Blake Street Group provides services in human capital due diligence, organizational readiness, and leadership development to private equity firms and their portfolio companies. The acquisition expands Pearl Meyer's private equity and portfolio company leadership consulting expertise

**Hueman People Solutions**  
**(Shore Capital)**  
**June 24, 2024**  
**PrincetonOne**

PrincetonOne provides specialized human capital and executive search consulting services primarily to healthcare and life sciences clients. The acquisition augments Hueman People Solutions' talent acquisition capabilities with new, highly specialized skillsets

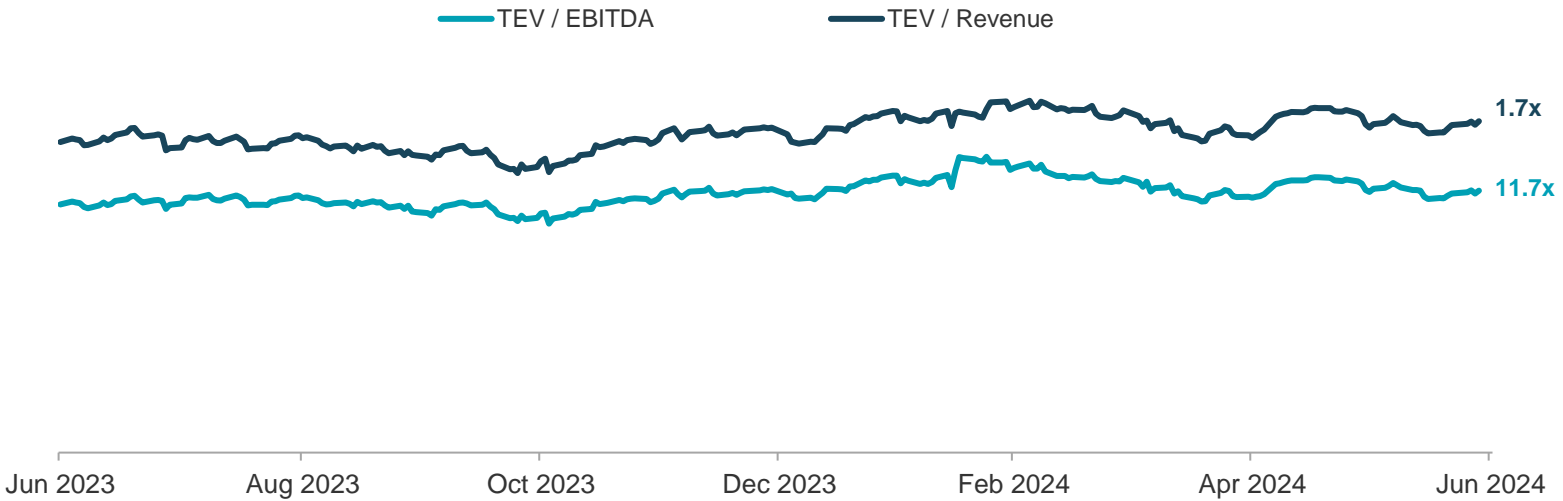
**ShiftPixy**  
**June 28, 2024**  
**Human Bees**

Human Bees provides human capital and talent acquisition advisory services to a broad set of industries. The acquisition bolsters ShiftPixy's market presence across the US and adds new capabilities across business diagnostics and advisory



# Public Market Performance

The Business Consulting Index industry multiples remained relatively flat through Q2 2024



The Business Consulting Index experienced a steady decline through Q2 2024



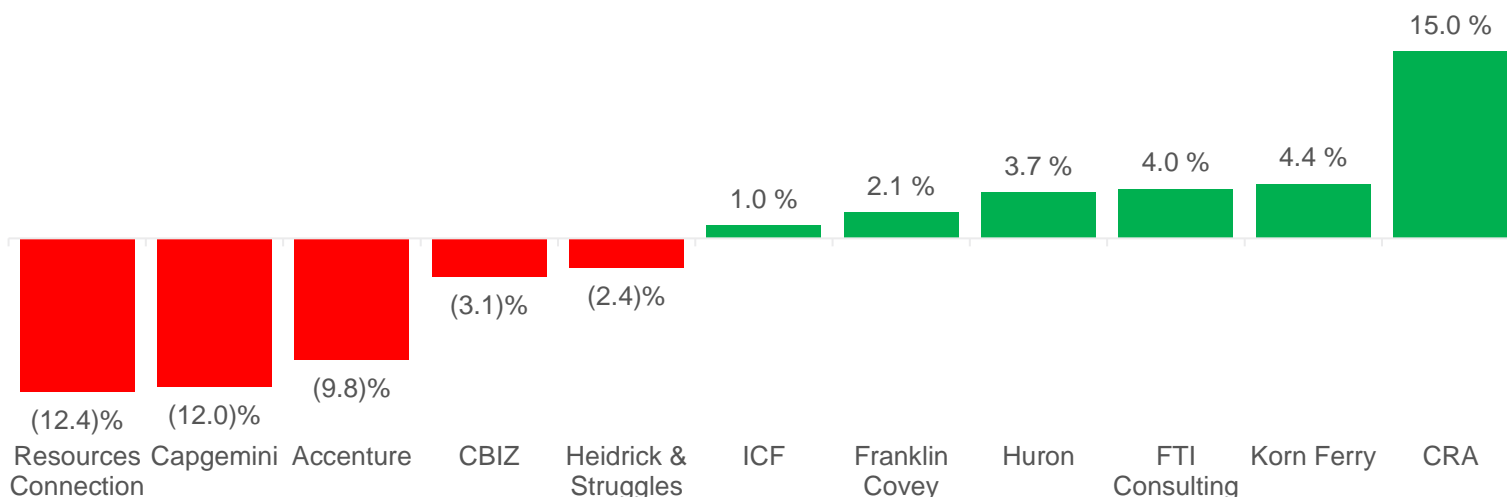
Source: Public market data as of 30-June-2024, Capital IQ

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



# Public Market Performance

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



Throughout Q2 2024, Business Consulting Revenue and EBITDA multiples remained relatively consistent

	Closing Price 30-Jun-2024	% of 52 Week High	Equity Market Cap	Enterprise Value	EV / Revenue Multiples			EV / EBITDA Multiples			LTM EBITDA Margin
					LTM	2024	2025	LTM	2024	2025	
<b>Professional Services</b>											
Accenture	\$303.41	78.3%	\$208,693	\$208,628	3.2x	3.2x	3.0x	18.5x	17.0x	15.4x	17.5%
Capgemini	198.97	81.7	35,371	38,475	1.5	1.6	1.5	11.7	10.3	9.1	13.3
CBIZ	74.10	92.1	3,752	4,426	2.7	2.6	2.4	21.1	18.4	16.9	12.9
CRA International	172.22	92.0	1,223	1,292	2.0	1.9	1.9	17.5	17.0	16.2	11.5
Franklin Covey	38.00	77.9	498	470	1.7	1.6	1.5	12.3	8.6	7.9	13.5
FTI Consulting	215.53	92.8	8,020	8,194	2.3	2.2	2.0	17.8	19.0	16.9	12.8
Heidrick & Struggles	31.58	86.9	678	523	0.5	0.5	0.5	5.1	5.3	5.0	9.7
Huron Consulting	98.50	86.9	1,916	2,518	1.8	1.7	1.5	16.1	12.9	11.2	11.2
ICF International	148.46	94.0	2,821	3,483	1.8	1.7	1.6	16.7	15.5	14.1	10.6
Korn Ferry	67.14	94.9	3,611	3,208	1.2	1.2	1.1	10.2	7.3	6.8	11.3
Resources Connection	11.04	64.9	390	291	0.4	0.5	0.4	6.1	8.1	4.1	7.2
<b>High</b>		<b>94.9%</b>	<b>\$208,693</b>	<b>\$208,628</b>	<b>3.2x</b>	<b>3.2x</b>	<b>3.0x</b>	<b>21.1x</b>	<b>19.0x</b>	<b>16.9x</b>	<b>17.5%</b>
<b>Median</b>		<b>86.9</b>	<b>2,821</b>	<b>3,208</b>	<b>1.8</b>	<b>1.7</b>	<b>1.5</b>	<b>16.1</b>	<b>12.9</b>	<b>11.2</b>	<b>11.5</b>
<b>Mean</b>		<b>85.7</b>	<b>24,270</b>	<b>24,683</b>	<b>1.7</b>	<b>1.7</b>	<b>1.6</b>	<b>13.9</b>	<b>12.7</b>	<b>11.2</b>	<b>11.9</b>
<b>Low</b>		<b>64.9</b>	<b>390</b>	<b>291</b>	<b>0.4</b>	<b>0.5</b>	<b>0.4</b>	<b>5.1</b>	<b>5.3</b>	<b>4.1</b>	<b>7.2</b>

Source: Public market data as of 30-June-2024, 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
4/4/2024	<b>Institute for Trend Research (ITR)</b>	<b>Crowe</b>	<ul style="list-style-type: none"> <li>ITR is an economic research consulting firm providing business leaders with insights, analysis, and strategy, enabling better understanding of economic trends and changing market conditions</li> <li>The acquisition enhances Crowe's strategic advisory expertise via entry into the economic insights market</li> </ul>
4/8/2024	<b>Axis Corporate</b>	<b>Accenture</b>	<ul style="list-style-type: none"> <li>Axis Corporate is a Spanish management and technology consulting firm specializing in retail &amp; commercial banking, consumer finance &amp; payments, and other financial services</li> <li>The acquisition enhances Accenture's strategy and technology offerings within the financial services sector</li> </ul>
4/15/2024	<b>Valorando</b>	<b>EY</b>	<ul style="list-style-type: none"> <li>Valorando is a management consulting firm serving companies in the manufacturing, distribution, and fashion &amp; retail sectors</li> <li>The acquisition adds end-market specialization and strengthens EY's position in Italy</li> </ul>
4/18/2024	<b>VMG Health</b>	<b>Incline Equity Partners</b>	<ul style="list-style-type: none"> <li>VMG Health is a full-service healthcare compliance, strategy, and advisory firm serving hospital systems, physician groups, surgery centers, and other highly regulated clients</li> <li>Incline's investment provides VMG with additional growth capital to expand its service offerings both organically and inorganically</li> </ul>
4/23/2024	<b>11TEN Innovation Partners</b>	<b>ClinicalMind (Renovus Capital Partners)</b>	<ul style="list-style-type: none"> <li>11TEN is a strategy consulting firm offering end-to-end services to accelerate innovation in the healthcare ecosystem</li> <li>The acquisition augments ClinicalMind's healthcare offerings with additional communications and commercial strategy capabilities</li> </ul>
5/29/2024	<b>HealthCare Appraisers</b>	<b>Stout (Audax Private Equity)</b>	<ul style="list-style-type: none"> <li>HealthCare Appraisers is a consulting firm providing fair market valuation and advisory services for healthcare clients</li> <li>The acquisition bolsters Stout's fair market valuation capabilities and adds additional healthcare advisory expertise</li> </ul>
6/3/2024	<b>Endeavor Consulting Group</b>	<b>UST Global</b>	<ul style="list-style-type: none"> <li>Endeavor is a global consultancy specializing in supply chain management and product commercialization, with a strong expertise in life sciences</li> <li>The acquisition strengthens UST's capability set and its ability to serve life sciences clients</li> </ul>
6/17/2024	<b>Veritas Total Solutions (VTS)</b>	<b>Oliver Wyman (Marsh &amp; McLennan)</b>	<ul style="list-style-type: none"> <li>VTS is a commodity trading advisory firm with deep technical expertise in risk, systems, analytics, and AI</li> <li>The acquisition gives Oliver Wyman a new level of trading optimization expertise and the ability to provide end-to-end trading advisory systems implementation services</li> </ul>
6/25/2024	<b>Kaufman Hall</b>	<b>Vizient</b>	<ul style="list-style-type: none"> <li>Kaufman Hall is a management consultancy with expertise in strategic planning and financial management for healthcare clients</li> <li>The acquisition augments Vizient's clinical, strategic, and financial expertise, strengthening its ability to serve a broad range of healthcare organizations</li> </ul>

# About ClearSight

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