

Business Consulting Market Monitor

Market Overview

Sector Spotlight

Public Market Performance

M&A Activity

Ongoing Investment in Accounting & Financial Advisory

While most of the initial activity we saw in this space centered around financial sponsors building new platforms, recent activity is now concentrated on those same platforms executing on their inorganic growth strategies. We expect this trend to continue and will be watching to see how each platform differentiates in this competitive market. There appear to be a few tried-and-true strategies at play – geographic expansion (similar capability set applied to new areas), capability shift into adjacent services (specifically focused on IT, cyber, and compliance expertise), and strategic shifts into new markets (i.e., PE services and CFO advisory). Some platforms want to rapidly build scale, while others are focused long-term and on the next exit. Time will tell how our thesis will play out – we are here to discuss, if helpful.

- **PBMares acquires BSB CPAs + Business Advisors**, a public accounting firm serving the Washington, D.C. Metro area. The acquisition will help drive sustainable growth and enhance services offerings for both firms
- **Castik Capital acquires Aider**, an operator of an accounting and consulting firm headquartered in Oslo, Norway. The investment will provide Aider with significant access to capital to continue its growth
- **CBIZ acquires Marcum**, a New York-based provider of public accounting and advisory services. The acquisition will help CBIZ solidify its market position and further expand its capabilities in the industry
- **LitmanGerson Associates acquires Abbott & Company**, a provider of accounting and advisory services based in Lexington, MA. The merger will bring Abbott's clients access to LGA's expanded capabilities while continuing to offer valued, hands-on services
- **Citrin Cooperman acquires Clearview Group**, a Baltimore Metro-based management consulting and CPA firm. The acquisition strengthens Citrin Cooperman's presence in the Mid-Atlantic region and enhances its capabilities in risk advisory, state and local tax, and purpose-built technology solutions
- **Oaktree Capital Management acquires AZ NGA**, a provider of accounting and financial advisory services headquartered in Sydney, Australia. The investment will support AZ NGA's ambitious growth strategy
- **Keobiz acquires Audit Conseils**, a France-based provider of financial and advisory services. The acquisition will enable Audit Conseils to strengthen its market position, expand its expertise, and take advantage of new opportunities by leveraging technology
- **Aprio acquires Kutchins, Robbins & Diamond**, a provider of accounting and business advisory services based in Chicago, IL. The acquisition bolsters Aprio's presence in the Midwest and strengthens its service offerings

Sector Leadership



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Sector Spotlight

High Demand for Strategic Communications

We continue to see a rise in investment in strategic communications (“strat comms”) firms, which have valuable expertise in navigating complex challenges and changing business priorities. Companies increasingly rely on these firms to manage corporate communications and cultivate their reputations, fueled by political shifts and regulatory pressures. In Q4, RSK Group acquired Apollo Strategic Communications, Bully Pulpit International (“BPI”) acquired Seven Hills Communications, Periscope Equity invested in Reservoir Communications Group, and Kohlberg Kravis Roberts (“KKR”) acquired FGS Global

Apollo Strategic Communications *November 7, 2024*

RSK Group acquired Apollo Strategic Communications, a London-based public relations and strat comms agency. This acquisition enables the companies to deliver more innovative communications strategies across a broader range of sectors while further expanding their global reach

RSK Group (Penta Capital & Searchlight Capital)

Reservoir Communications Group *November 12, 2024*

Periscope Equity invested in Reservoir Communications Group, a Washington, D.C.-based healthcare consultancy and strategic communications firm. The partnership enables Reservoir to capitalize on opportunities to bring enhanced technology, infrastructure, and staffing support to continue to meet the complex needs of clients

Periscope Equity

Seven Hills Communications *November 12, 2024*

BPI acquired Seven Hills Communications, a provider of strategic communications services in London, England. The acquisition will boost BPI’s transatlantic expansion and global service offerings

BPI (Broad Sky Partners)

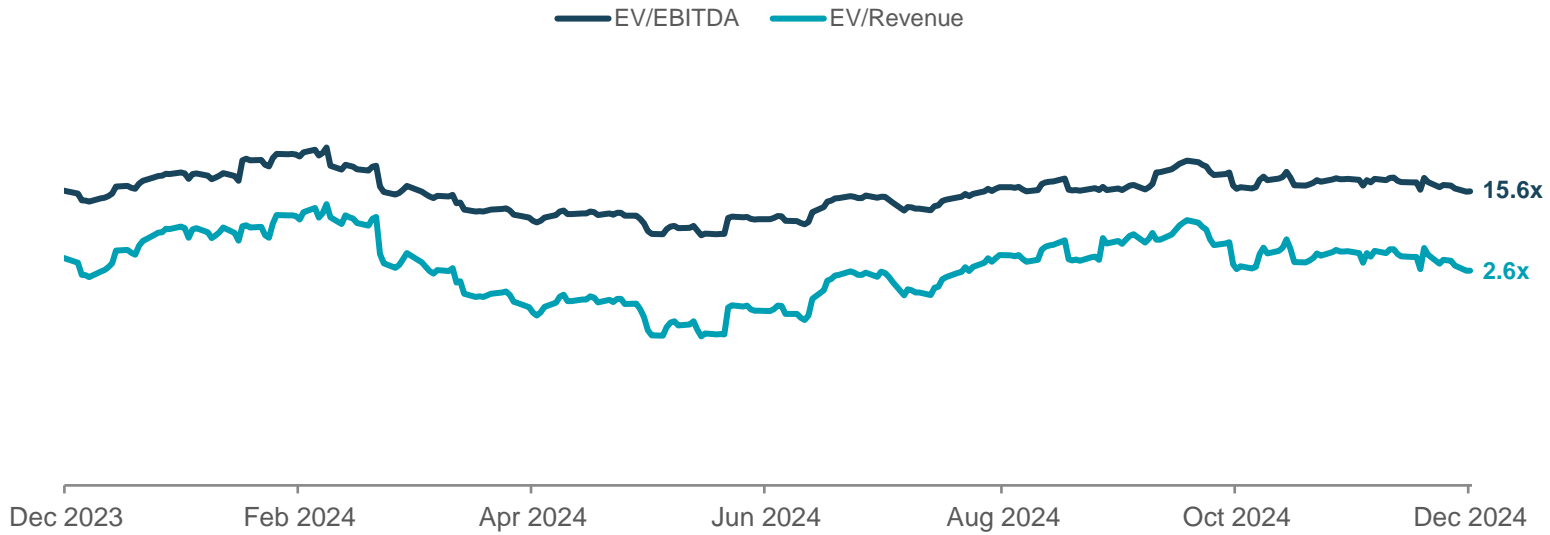
FGS Global *December 2, 2024*

KKR acquired FGS Global, a public relations and communications firm offering services including digital strategy, research, and insights headquartered in New York City. The investment from KKR provides additional growth capital as well as a global network of expertise

KKR

Public Market Performance

The Business Consulting Index industry multiples stayed relatively consistent in Q4 2024



The Business Consulting Index remained steady through Q4 2024



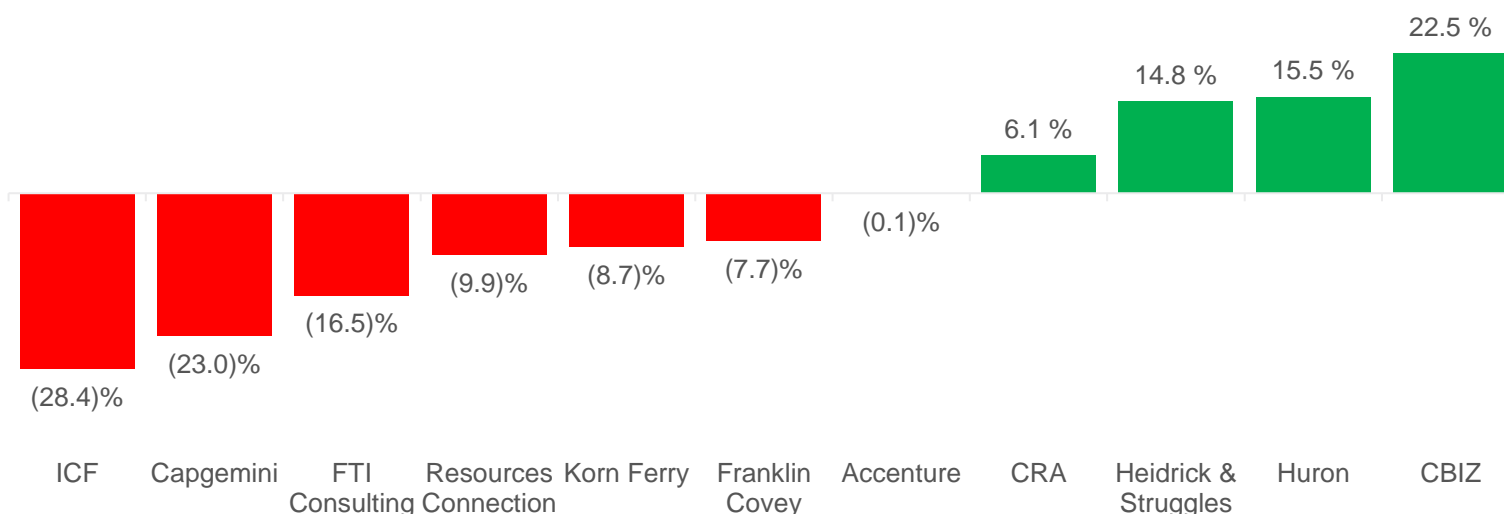
Source: Public market data as of 31-December-2024, Capital IQ

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



Public Market Performance

The fourth quarter was characterized by a mix of gains and losses in share price amongst firms in the Business Consulting Index



Throughout Q4 2024, Business Consulting Revenue and EBITDA multiples remained relatively consistent

	Closing Price 12/31/2024	% of 52 Week High	Equity Market Cap	Enterprise Value	EV / Revenue Multiples			EV / EBITDA Multiples			LTM EBITDA Margin
					LTM	2024	2025	LTM	2024	2025	
Professional Services											
Accenture	\$351.79	90.8%	\$220,038	\$219,873	3.3x	3.3x	3.2x	19.4x	17.7x	16.3x	17.1%
Capgemini	163.73	69.5%	27,839	32,174	1.4	1.4	1.4	10.2	9.6	9.1	13.3%
CBIZ	81.83	94.8%	4,098	4,662	2.8	2.5	1.5	24.2	20.1	10.9	11.5%
CRA International	187.20	88.8%	1,276	1,419	2.1	2.1	2.0	18.5	16.5	16.2	11.4%
Franklin Covey	37.58	83.6%	495	454	1.6	1.6	1.5	10.1	8.7	10.7	15.7%
FTI Consulting	191.13	78.5%	6,806	6,673	1.8	1.8	1.7	14.5	15.9	14.8	12.4%
Heidrick & Struggles	44.31	90.4%	904	599	0.6	0.6	0.5	6.2	5.4	5.3	9.0%
Huron Consulting	124.26	94.8%	2,033	2,501	1.7	1.7	1.6	15.1	12.8	11.2	11.6%
ICF International	119.21	66.3%	2,237	2,849	1.4	1.4	1.3	12.5	12.5	11.4	11.4%
Korn Ferry	67.45	83.6%	3,479	3,326	1.2	1.2	1.2	10.1	7.4	7.0	12.2%
Resources Connection	8.53	58.8%	286	221	0.4	0.4	0.4	8.1	8.1	3.8	4.7%
High		94.8%	\$220,038	\$219,873	3.3x	3.3x	3.2x	24.2x	20.1x	16.3x	17.1%
Median		83.6%	\$2,237	\$2,849	1.6x	1.6x	1.5x	12.5x	12.5x	10.9x	11.6%
Mean		81.8%	\$24,499	\$24,977	1.7x	1.6x	1.5x	13.5x	12.2x	10.6x	11.8%
Low		58.8%	\$286	\$221	0.4x	0.4x	0.4x	6.2x	5.4x	3.8x	4.7%

M&A Activity

Date	Target	Buyer	Summary
10/7/2024	Treya Partners	VSS Capital Partners	<ul style="list-style-type: none"> Treya Partners is a management consulting firm specializing in procurement value creation, strategic sourcing, and spend advisory services for mid-market PE-backed clients VSS's investment will help Treya expand its service offerings and explore strategic M&A opportunities
10/14/2024	Joshua Tree Group	Accenture	<ul style="list-style-type: none"> Joshua Tree Group is a supply chain consulting firm specializing in distribution center performance The acquisition will help Accenture make distribution centers more productive and efficient for its clients in product-based industries and expand capabilities to build more autonomous supply chains
10/28/2024	Camelot Management Consultants	Accenture	<ul style="list-style-type: none"> Camelot provides specialized management consulting services focused on optimizing supply chains for pharmaceutical, consumer goods, and other business sectors Accenture's acquisition enhances its SAP and AI-driven supply chain capabilities
11/1/2024	Chartertech	KPMG Australia	<ul style="list-style-type: none"> Chartertech is a consulting firm specializing in financial advisory and technology solutions The acquisition builds upon KPMG Australia's strategic expansion into technology enablement
11/1/2024	Marcum	CBIZ	<ul style="list-style-type: none"> Marcum is a provider of public accounting and advisory services CBIZ's acquisition will enhance its capabilities and expand the company's market share
11/12/2024	Reservoir Communications Group	Periscope Equity	<ul style="list-style-type: none"> Reservoir is a healthcare consultancy and strategic communications firm that helps clients navigate business, advocacy, policy, and reputational challenges and opportunities The partnership enables Reservoir to capitalize on opportunities to bring enhanced technology, infrastructure, and staffing support to meet the complex needs of clients
11/14/2024	Clearview Group	Citrin Cooperman	<ul style="list-style-type: none"> Clearview Group is a management consulting and CPA firm Citrin Cooperman's acquisition expands its presence in the Mid-Atlantic region and enhances its capabilities in risk advisory, state and local tax, and purpose-built technology solutions
12/3/2024	AXIA Consulting	Huron Consulting	<ul style="list-style-type: none"> AXIA is a change management and ERP consultancy focused on supply chain management clients Through Huron's commercial operating segment, the acquisition will help clients build agile, responsive, and efficient supply chains to meet the global demand
12/31/2024	Kutchins, Robbins & Diamond	Aprio	<ul style="list-style-type: none"> KRD is a provider of accounting and business advisory services, including financial, wealth planning, assurance, tax, consulting, and outsourced accounting services The acquisition strengthens Aprio's presence in the Midwest and expands its service offerings


 = ClearSight acted as advisor to Reservoir Communications Group & AXIA Consulting on their respective transactions

Source: Public filings as of 31-Dec-2024, Capital IQ, Pitchbook, Press Releases



About ClearSight

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EQUITY


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GROUP

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