



Clearsight Advisors[®]
Investment Banking

Q1 2026

Professional Services Market Monitor

*Market Update, Sector Spotlight, Public Market Performance,
and M&A Activity*



Q1 2026 Market Update

Tailwinds from Challenging Times Favor Firms that Tackle Complexity with Experienced Judgement

Organizations of all sizes are increasingly encountering disputes, investigations, and regulatory challenges for which they are not fully prepared. As legal and regulatory matters grow more complex, the market has demonstrated strong demand for trusted advisors capable of navigating highly sensitive, high-stake situations. This demand underpins the increased M&A activity we saw in Q1 across litigation support and restructuring - where credibility, expertise, and experienced human judgment remain essential. (See key transactions below.)

Greater case complexity, expanding regulatory scrutiny, and the rising cost of noncompliance serve as durable secular tailwinds for experienced advisors in these sectors. Organizations are facing a growing web of regional, global, geopolitical, and industry-specific regulations that require specialized, industry-aligned advisors to interpret, operationalize, and continuously adapt compliance frameworks. The need for human oversight, particularly in nuanced investigations, cross-border matters, and court adjacent work, creates defensible and high value service models that are difficult to replicate.

As regulators increase enforcement activity and penalties escalate, the consequences of noncompliance are increasingly material, ranging from financial penalties to reputational damage and restricted market access. This environment compels organizations to proactively engage specialized advisors, supporting steady revenue growth, strong client retention, and consolidation opportunities across litigation support and restructuring platforms.

Keystone Strategy

January 2, 2026

Audax Private Equity acquired Keystone Strategy, a global technology and advisory firm specializing in economics, technology, strategy, and complex digital ecosystems. Keystone advises organizations on the strategic, regulatory, and competitive implications of transformative technologies, including AI and digital platforms.

Audax Private Equity

StoneTurn (MML Capital Partners)

February 12, 2026

Province, backed by Trivest Partners, acquired StoneTurn, a global professional services firm specializing in disputes, investigations, and risk, from MML Capital Partners. StoneTurn partners with law firms, corporations, and government agencies to address complex business challenges, including compliance management, litigation support, cybersecurity, and regulatory matters.

Province (Trivest Partners)

 = Clearsight acted as advisor to StoneTurn on its transaction

Source: Pitchbook

Sector Leadership



Brendan Curran
Managing Director



Thomas Foreman
Vice President



Emily Shepherd
Vice President



Private Credit: Real-Time Reshaping of Market Sentiment

Private credit, and the risks and opportunities associated with it, has quickly become cocktail party chatter. For a long time, private credit was increasingly attractive as borrowers sought out flexible, non-dilutive capital solutions and investors pursued enhanced yield relative to traditional bank debt. The market has rapidly expanded across specialty finance and opportunistic strategies, encompassing senior secured debt, subordinated and mezzanine capital, structured equity, and venture debt. At the same time, traditional banks have scaled private credit platforms to compete more directly with established alternative managers. This expansion has accelerated capital structure convergence, with higher yield investors moving down the risk curve while lower yield investors push upward through increased exposure to private credit.

However, market sentiment is shifting rapidly. AI-driven disruption in historically core private credit end markets, like software and technology, has undermined original underwriting assumptions. The “SaaSocalypse,” marked by significant volatility and multiple compression in publicly listed software equities, has become a reference point for private market valuation resets. As future growth and profit expectations for specific assets compress, the enterprise value-based leverage that once appeared rational at origination increasingly looks aggressive, exposing structural vulnerabilities across portions of the private credit stack.

Compounding these pressures, redemption dynamics have intensified. Information asymmetry inherent in private market instruments, combined with rising market uncertainty, has contributed to heightened redemption pressure from retail and high net worth investors. In some cases, this has sparked broader investor caution and liquidity stress, reinforcing concerns around portfolio transparency, valuation lag, and exit optionality.

This growing complexity is increasingly catalyzing M&A activity among private credit focused advisors and specialty platforms with deep market and debt structure expertise. As underwriting assumptions are re-evaluated, capital structures become questioned and valuation opacity increases. Scale, data, and sector-specific knowledge have become critical differentiators. Firms with proven capabilities in structuring, portfolio surveillance, workouts, and scenario driven valuation are well positioned to consolidate smaller, sub-scale managers and advisory teams that lack the resources to navigate this environment independently. More broadly, for those contemplating a near-term exit, and especially for those in the crosshairs of this evolving market, it is increasingly important to get the positioning and narrative “right”.

DebtX Analytics

January 12, 2026

Heritage Global acquired DebtX, a provider of full-service, end-to-end Loan Sale Advisory Services for financial institutions looking to manage risk and/or unlock value in their loan portfolios. DebtX’s team of professionals perform all underwriting, document preparation, marketing, valuation and closing services, allowing sellers to leverage DebtX’s extensive experience in having managed billions of dollars in loan sale transactions on behalf of hundreds of clients.

Heritage Global



AI in Professional Services: Disruption vs. Opportunity

It is hard to market a deal in today's environment without tackling AI-related concerns. On the surface there is a reshaping of sentiment across various pockets of professional services, driven by a fundamental rethinking of traditional, headcount-based revenue models. Investor sentiment has shifted most sharply for professional services businesses that lack natural barriers to entry, particularly those not protected by statutory requirements, licensure, or regulatory mandates. Absent structural moats such as exclusive data access, embedded workflow integration, regulated delivery rights, or defensible IP, these firms face mounting pressure on pricing power, differentiation, and long-term relevance. As AI adoption accelerates and advances in large language models become increasingly pronounced, investors are reassessing the durability of legacy consulting economics and questioning which firms are structurally positioned to succeed in this next phase. Rapid improvements in automation, productivity, and knowledge replication have challenged historical assumptions around billable hours, leverage, and linear revenue growth.

While a few investors may view this disruption as a reason to step back from professional services altogether, others see it as an opportunity to pursue differentiated, blue ocean investment strategies. Some are perhaps even more invigorated by consultancies or advisory businesses rooted in deep domain expertise, something we continue to see as a strong defense against AI and an area for which AI is largely complementary. For many, the criteria for what constitutes the "right" consultancy model is evolving, particularly in segments with lower barriers to entry and limited statutory and/or domain expertise protection. Increasingly, success depends on moving away from labor-intensive delivery models and toward firms that can demonstrate measurable, C-suite level ROI through value-based pricing models.

As a result, investor interest today is increasingly concentrated on AI native consultancies: firms that consistently deploy reusable IP to accelerate time to value, embed AI directly into client workflows, and leverage deep domain expertise to identify and execute high impact use cases. These platforms move beyond tool implementation to solution design, combining sector knowledge, data fluency, and execution capability. In this environment, the competitive advantage goes to consultancies that deliver outcome driven solutions through IP led AI, potentially reshaping the future economic model of professional services and the profile of future category winners.

Cuesta Partners

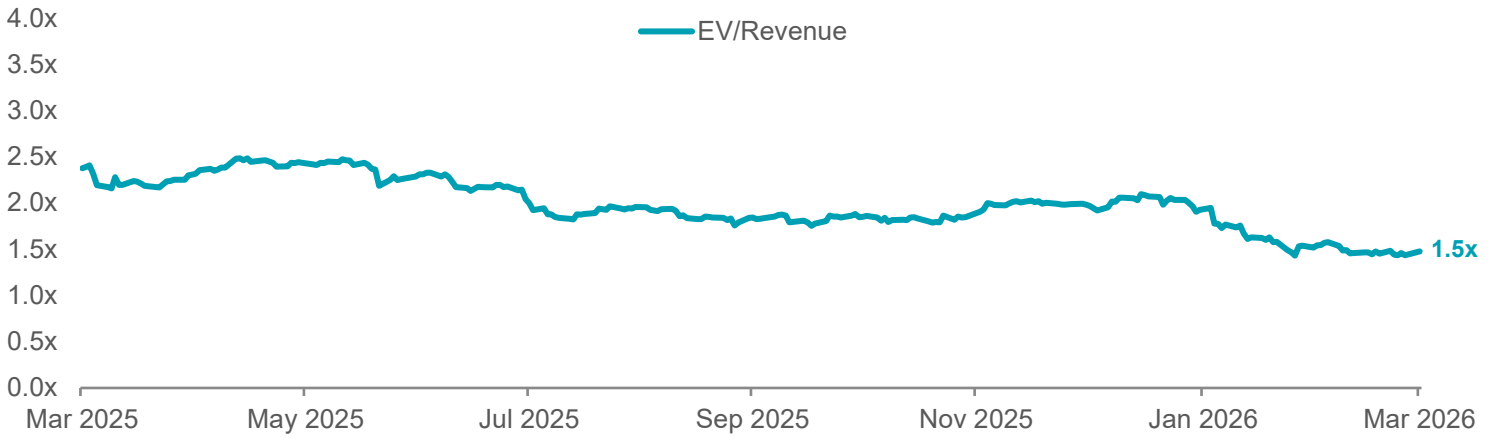
March 3, 2026

Riveron, backed by Kohlberg & Co, acquired Cuesta Partners, a firm that works with private equity firms and corporate clients across industries to enhance data strategy, advanced analytics, AI strategy and execution, M&A advisory and technology due diligence, technology strategy and planning, and delivery. Cuesta was built to help companies move beyond AI experimentation and achieve real, measurable impact.

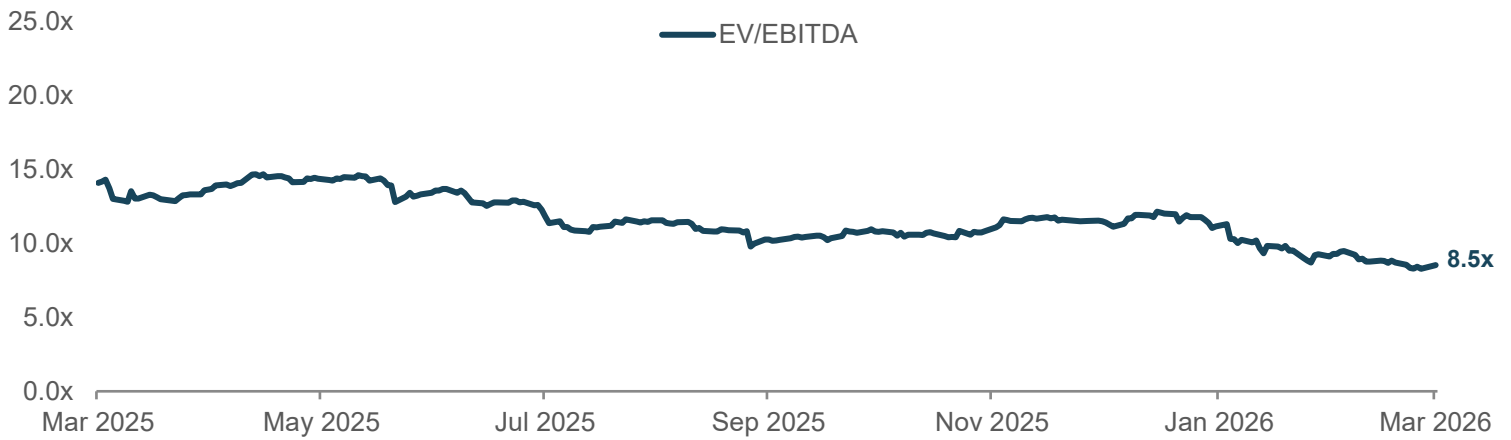
Riveron (Kohlberg & Co)



EV / Revenue – 1 Year



EV / EBITDA – 1 Year



Business Consulting Market Performance – 1 Year



Source: Capital IQ, market data as of 31-Mar-2026

Professional Services M&A Activity




Date	Target	Buyer	Summary
1/07/2026	Delap & Hoffman, Stewart & Schmidt (HSS)	Aprio <i>(Charlesbank)</i>	<ul style="list-style-type: none"> Delap and HSS provide tax, assurance, business advisory, and managed IT services, including cybersecurity and digital forensics, to clients in the Pacific Northwest
1/23/2026	MLCworks	EisnerAmper	<ul style="list-style-type: none"> MLCworks provides digital growth and marketing services focused on revenue acceleration and commercialization strategy
1/26/2026	Kaiser Associates	Sia Partners <i>(Blackstone)</i>	<ul style="list-style-type: none"> Kaiser Associates provides procurement, supply chain, and operational performance improvement services
2/10/2026	Keystone Partners	Careerminds	<ul style="list-style-type: none"> Keystone Partners provides outplacement, career transition, and leadership development advisory services to corporate clients
2/25/2026	Avaxa Debt Advisors	BDO Netherlands	<ul style="list-style-type: none"> Avaxa Debt Advisors is a leading boutique firm specializing in debt advisory and financial restructuring
3/13/2026	StratDev	HSR Capital	<ul style="list-style-type: none"> StratDev provides B2B growth marketing and revenue-infrastructure advisory services focused on performance and scalability
3/30/2026	Campbell Crossley & Davis (CC&D)	Xeinadin	<ul style="list-style-type: none"> CC&D advises owner-managed businesses on restructuring, formal insolvency procedures, and financial resolution
3/31/2026	Liberty Advisor Group	Resultant	<ul style="list-style-type: none"> Liberty Advisor Group provides M&A advisory services and transaction support services to private-equity investors and middle-market companies



About Clearsight

Clearsight's Professional Services Practice covers a breadth of management and strategy consulting and high-end professional services, including CFO advisory, strategic communications, operational performance, restructuring advisory, and private equity services.

Clearsight Advisors is an investment banking firm dedicated to driving the Knowledge Economy by providing world-class M&A and capital raising solutions exclusively to growth-oriented Business Services and Technology companies. Clearsight combines deep market insights across software, services, and data. Clearsight Advisors, Inc. is a wholly owned subsidiary of Regions Financial Corporation. All securities are offered exclusively through RF M&A Securities LLC, a registered broker-dealer and member of [FINRA](#) and [SIPC](#). For more information about Clearsight, visit www.clearsightadvisors.com.

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Select Transactions

 **Sellside Advisor**

StoneTurn
a portfolio company of

MML
has been acquired by


PROVINCE
a portfolio company of

TRIVEST

 **Financial Advisor**

WCM Holdings
has been acquired by


Wailes Capital

 **Sellside Advisor**

Stormloop Technologies
has been acquired by

argano
a portfolio company of

TRINITY HUNT PARTNERS

 **Sellside Advisor**

POINTE ADVISORY
has been acquired by

STOUT
a portfolio company of

Integrum

 **Financial Co-Advisor**


CINVEN
has made a majority investment in

FLINT

 **Sellside Advisor**


L² CAPITAL PARTNERS
has received an investment from

Ergo

 **Sellside Advisor**


BECKWAY
has received a majority investment from

Frontenac

 **Sellside Advisor**

APPLIED VALUE
has received a growth investment from

TRIVEST

 **Sellside Advisor**

PH
has received a strategic investment from

Webster Equity Partners

 **Sellside Advisor**

CELENT
a division of

OliverWyman
has been acquired by

GlobalData.

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