

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K
CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

May 2, 2023
Date of Report (Date of earliest event reported)

Huron Consulting Group Inc.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

000-50976
(Commission
File Number)

01-0666114
(IRS Employer
Identification Number)

550 West Van Buren Street
Chicago, Illinois
60607

(Address of principal executive offices)
(Zip Code)

(312) 583-8700
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.01 per share	HURN	NASDAQ Global Select Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02. Results of Operations and Financial Condition.

On May 2, 2023, Huron Consulting Group Inc. (the "Company") issued a press release announcing its financial results for the three months ended March 31, 2023. A copy of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

Item 7.01. Regulation FD Disclosure.

On May 2, 2023, the Company posted on its website an updated investor presentation reiterating the Company's growth strategy and financial goals through 2025. A copy of the investor presentation is furnished as Exhibit 99.2 to this Current Report on Form 8-K.

The information furnished pursuant to Item 2.02 and Item 7.01 and the attached Exhibit 99.1 and Exhibit 99.2 shall not be deemed filed for purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, except as shall be expressly set forth by specific reference in such filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit Number	Exhibit Description
99.1	Press release, dated May 2, 2023
99.2	Investor Presentation, dated May 2, 2023
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Huron Consulting Group Inc.

(Registrant)

Date: May 2, 2023

/s/ JOHN D. KELLY

John D. Kelly

Executive Vice President, Chief Financial Officer, and Treasurer



NEWS

FOR IMMEDIATE RELEASE

MEDIA CONTACT

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INVESTOR CONTACT

John D. Kelly
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Huron Announces First Quarter 2023 Financial Results and Affirms 2023 Guidance

FIRST QUARTER 2023 FINANCIAL HIGHLIGHTS

- Total revenues increased \$57.8 million, or 22.2%, to \$317.9 million in Q1 2023 from \$260.0 million in Q1 2022.
- Revenues within the Digital capability increased 28.5% to \$140.7 million in Q1 2023, compared to \$109.5 million in Q1 2022.
- Net income was \$13.4 million in Q1 2023, compared to \$26.9 million in Q1 2022. Results for Q1 2022 included a non-recurring, unrealized gain of \$19.8 million, net of tax, related to the company's investment in a hospital-at-home company.
- Adjusted EBITDA⁽⁶⁾, a non-GAAP measure, increased \$7.4 million, or 33.4%, to \$29.5 million in Q1 2023 from \$22.1 million in Q1 2022.
- Diluted earnings per share was \$0.68 in Q1 2023, compared to \$1.27 in Q1 2022 which included the non-recurring, unrealized gain related to the company's investment in a hospital-at-home company.
- Adjusted diluted earnings per share⁽⁶⁾, a non-GAAP measure, increased \$0.38, or 77.6%, to \$0.87 in Q1 2023 from \$0.49 in Q1 2022.
- Huron returned \$44.3 million to shareholders by repurchasing 0.6 million shares of the company's common stock in Q1 2023.
- Huron affirms its previous earnings guidance range for full year 2023, including revenue expectations in a range of \$1.22 billion to \$1.28 billion.

OTHER HIGHLIGHTS

- Huron released its [2022 Environmental, Social and Governance \(ESG\) Report](#), which reiterates the company's commitment to shaping a more sustainable future.
- Huron amended its credit facility to include ESG-related measures that align the company's financing and people-focused goals.
- Huron introduced its [2023 Investor Presentation](#), which provides insight into the company and its commitment to achieving its strategic and financial objectives.

CHICAGO - May 2, 2023 - Global professional services firm Huron (NASDAQ: HURN) today announced financial results for the first quarter ended March 31, 2023.

"Our first quarter results reflect our steady progress toward achieving the medium-term financial objectives we set forth in 2022 for double-digit revenue growth, expanded adjusted EBITDA margins, and accelerated adjusted EPS growth," said [Mark Hussey](#), chief executive officer and president of [Huron](#). "Driven by strong growth across all three

operating segments and in our Digital capability, revenues grew 22% over the prior year quarter, reflecting continued demand across our portfolio of end markets. Consistent with our goal to expand our profitability, adjusted EBITDA margins increased 80 basis points over the prior year quarter.”

“Our clients face significant strategic, financial and operational challenges in their markets, exacerbated by an increasingly uncertain macro environment. We believe these challenges will continue to drive solid demand for our business as we further innovate and build upon our deep, collaborative relationships with our clients,” added [Hussey](#).

FIRST QUARTER 2023 RESULTS

Revenues increased \$57.8 million, or 22.2%, to \$317.9 million for the first quarter of 2023, compared to \$260.0 million for the first quarter of 2022. This revenue growth was highlighted by 28.5% growth from the Digital capability in the aggregate across all segments and growth in the Healthcare and Education segments’ Consulting and Managed Services capability of 21.5% and 20.5%, respectively, during the first quarter of 2023, compared to the same prior year period, which reflects the company’s focus on accelerating growth in the healthcare and education industries.

Net income was \$13.4 million for the first quarter of 2023, compared to \$26.9 million for the same quarter last year. Diluted earnings per share was \$0.68 for the first quarter of 2023, compared to \$1.27 for the first quarter of 2022. Results for the first quarter of 2022 included a non-recurring, unrealized gain of \$19.8 million, net of tax, related to the increase in fair value of the company’s investment in a hospital-at-home company.

First quarter 2023 earnings before interest, taxes, depreciation and amortization (“EBITDA”⁽⁶⁾) was \$26.7 million, compared to \$47.4 million in the same prior year period.

In addition to using EBITDA to evaluate the company’s financial performance, management uses other non-GAAP financial measures, which exclude the effect of the following items (in thousands):

	Three Months Ended March 31,	
	2023	2022
Amortization of intangible assets	\$ 2,231	\$ 2,860
Restructuring charges	\$ 2,284	\$ 1,555
Other losses	\$ 435	\$ 12
Transaction-related expenses	\$ —	\$ 50
Unrealized gain on preferred stock investment	\$ —	\$ (26,964)
Tax effect of adjustments	\$ (1,312)	\$ 5,959
Foreign currency transaction losses, net	\$ 80	\$ 19

Adjusted EBITDA⁽⁶⁾ increased \$7.4 million, or 33.4%, to \$29.5 million, or 9.3% of revenues, in the first quarter of 2023, compared to \$22.1 million, or 8.5% of revenues, in the same quarter last year. Adjusted net income⁽⁶⁾ increased \$6.7 million, or 65.2%, to \$17.1 million, or \$0.87 per diluted share, for the first quarter of 2023, compared to \$10.3 million, or \$0.49 per diluted share, for the same quarter in 2022.

The number of revenue-generating professionals⁽⁴⁾ increased 24.6% to 5,013 as of March 31, 2023 from 4,023 as of March 31, 2022. The utilization rate⁽⁵⁾ of the company’s Consulting capability increased to 76.3% during the first quarter 2023, compared to 71.4% during the same period last year. The utilization rate⁽⁵⁾ for the company’s Digital capability decreased to 71.0% during the first quarter 2023, compared to 72.4% during the same period last year.

Additionally, in the first quarter of 2023, Huron repurchased 632,894 shares of the company’s common stock for \$44.3 million.

OPERATING INDUSTRIES

Huron's results reflect a portfolio of service offerings focused on helping clients address complex business challenges.

The company's first quarter 2023 revenues by operating segment as a percentage of total company revenues are as follows: Healthcare (47%); Education (33%); and Commercial (20%). Financial results by operating industry are included in the attached schedules and in Huron's forthcoming Quarterly Report on Form 10-Q filing for the quarter ended March 31, 2023.

OUTLOOK FOR 2023

Based on currently available information, the company is affirming guidance for full year 2023 revenues before reimbursable expenses in a range of \$1.22 billion to \$1.28 billion. The company also anticipates adjusted EBITDA as a percentage of revenues in a range of 12.0% to 12.5% and non-GAAP adjusted diluted earnings per share in a range of \$3.75 to \$4.25.

FIRST QUARTER 2023 WEBCAST

The company will host a webcast to discuss its financial results today, May 2, 2023, at 5:00 p.m. Eastern Time, 4:00 p.m. Central Time. The conference call is being webcast by Notified and can be accessed from Huron's website at <http://ir.huronconsultinggroup.com>. A replay will be available approximately two hours after the conclusion of the webcast and for 90 days thereafter.

USE OF NON-GAAP FINANCIAL MEASURES⁽⁶⁾

In evaluating the company's financial performance and outlook, management uses EBITDA, adjusted EBITDA, adjusted EBITDA as a percentage of revenues, adjusted net income, and adjusted diluted earnings per share, which are non-GAAP measures. Management uses these non-GAAP financial measures to gain an understanding of the company's comparative operating performance (when comparing such results with previous periods or forecasts). These non-GAAP financial measures are used by management in their financial and operating decision making because management believes they reflect the company's ongoing business in a manner that allows for meaningful period-to-period comparisons. Management also uses these non-GAAP financial measures when publicly providing their business outlook, for internal management purposes, and as a basis for evaluating potential acquisitions and dispositions. Management believes that these non-GAAP financial measures provide useful information to investors and others in understanding and evaluating Huron's current operating performance and future prospects in the same manner as management does, if they so choose, and in comparing in a consistent manner Huron's current financial results with Huron's past financial results. Investors should recognize that these non-GAAP measures might not be comparable to similarly titled measures of other companies. These measures should be considered in addition to, and not as a substitute for or superior to, any measure of performance, cash flows or liquidity prepared in accordance with accounting principles generally accepted in the United States.

Management has provided its outlook regarding adjusted EBITDA and adjusted diluted earnings per share, both of which are non-GAAP financial measures and exclude certain charges. Management has not reconciled these non-GAAP financial measures to the corresponding GAAP financial measures because guidance for the various reconciling items is not provided. Management is unable to provide guidance for these reconciling items because they cannot determine their probable significance, as certain items are outside of the company's control and cannot be reasonably predicted since these items could vary significantly from period to period. Accordingly, reconciliations to the corresponding GAAP financial measures are not available without unreasonable effort.

ABOUT HURON

Huron is a global professional services firm that collaborates with clients to put possible into practice by creating sound strategies, optimizing operations, accelerating digital transformation, and empowering businesses and their people to own their future. By embracing diverse perspectives, encouraging new ideas and challenging the status quo, we create sustainable results for the organizations we serve. Learn more at www.huronconsultinggroup.com.

Statements in this press release that are not historical in nature, including those concerning the company's current expectations about its future results, are "forward-looking" statements as defined in Section 21E of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995. Forward-looking statements are identified by words such as "may," "should," "expects," "provides," "anticipates," "assumes," "can," "will," "meets," "could," "likely," "intends," "might," "predicts," "seeks," "would," "believes," "estimates," "plans," "continues," "goals," "guidance," or "outlook" or similar expressions. These forward-looking statements reflect the company's current expectations about future requirements and needs, results, levels of activity, performance, or achievements. Some of the factors that could cause actual results to differ materially from the forward-looking statements contained herein include, without limitation: failure to achieve expected utilization rates, billing rates, and the necessary number of revenue-generating professionals; inability to expand or adjust our service offerings in response to market demands; our dependence on renewal of client-based services; dependence on new business and retention of current clients and qualified personnel; failure to maintain third-party provider relationships and strategic alliances; inability to license technology to and from third parties; the impairment of goodwill; various factors related to income and other taxes; difficulties in successfully integrating the businesses we acquire and achieving expected benefits from such acquisitions; risks relating to privacy, information security, and related laws and standards; and a general downturn in market conditions. These forward-looking statements involve known and unknown risks, uncertainties, and other factors, including, among others, those described under "Item 1A. Risk Factors" in Huron's Annual Report on Form 10-K for the year ended December 31, 2022 that may cause actual results, levels of activity, performance or achievements to be materially different from any anticipated results, levels of activity, performance, or achievements expressed or implied by these forward-looking statements. The company disclaims any obligation to update or revise any forward-looking statements as a result of new information or future events, or for any other reason.

HURON CONSULTING GROUP INC.
CONSOLIDATED STATEMENTS OF OPERATIONS AND OTHER COMPREHENSIVE INCOME (LOSS)
(In thousands, except per share amounts)
(Unaudited)

	Three Months Ended March 31,	
	2023	2022
Revenues and reimbursable expenses:		
Revenues	\$ 317,895	\$ 260,049
Reimbursable expenses	8,490	4,726
Total revenues and reimbursable expenses	326,385	264,775
Operating expenses:		
Direct costs (exclusive of depreciation and amortization included below)	228,383	187,247
Reimbursable expenses	8,624	4,756
Selling, general and administrative expenses	62,289	48,395
Restructuring charges	2,284	1,555
Depreciation and amortization	6,374	6,864
Total operating expenses	307,954	248,817
Operating income	18,431	15,958
Other income (expense), net:		
Interest expense, net of interest income	(4,303)	(2,196)
Other income, net	1,719	24,365
Total other income (expense), net	(2,584)	22,169
Income before taxes	15,847	38,127
Income tax expense	2,428	11,275
Net income	\$ 13,419	\$ 26,852
Earnings per share:		
Net income per basic share	\$ 0.70	\$ 1.29
Net income per diluted share	\$ 0.68	\$ 1.27
Weighted average shares used in calculating earnings per share:		
Basic	19,119	20,850
Diluted	19,699	21,167
Comprehensive income (loss):		
Net income	\$ 13,419	\$ 26,852
Foreign currency translation adjustments, net of tax	52	(43)
Unrealized gain (loss) on investment, net of tax	3,873	(2,661)
Unrealized gain (loss) on cash flow hedging instruments, net of tax	(2,329)	4,325
Other comprehensive income	1,596	1,621
Comprehensive income	\$ 15,015	\$ 28,473

HURON CONSULTING GROUP INC.
CONSOLIDATED BALANCE SHEETS
(In thousands, except share and per share amounts)
(Unaudited)

	March 31, 2023	December 31, 2022
Assets		
Current assets:		
Cash and cash equivalents	\$ 12,026	\$ 11,834
Receivables from clients, net	147,037	147,852
Unbilled services, net	173,454	141,781
Income tax receivable	275	960
Prepaid expenses and other current assets	28,718	26,057
Total current assets	361,510	328,484
Property and equipment, net	24,179	26,107
Deferred income taxes, net	1,410	1,554
Long-term investments	96,473	91,194
Operating lease right-of-use assets	28,692	30,304
Other non-current assets	80,154	73,039
Intangible assets, net	21,161	23,392
Goodwill	624,966	624,966
Total assets	<u>\$ 1,238,545</u>	<u>\$ 1,199,040</u>
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 9,556	\$ 14,254
Accrued expenses and other current liabilities	28,938	27,268
Accrued payroll and related benefits	78,354	171,723
Current maturities of operating lease liabilities	10,825	10,530
Deferred revenues	20,542	21,909
Total current liabilities	148,215	245,684
Non-current liabilities:		
Deferred compensation and other liabilities	38,404	33,614
Long-term debt	447,000	290,000
Operating lease liabilities, net of current portion	43,393	45,556
Deferred income taxes, net	32,564	32,146
Total non-current liabilities	561,361	401,316
Commitments and contingencies		
Stockholders' equity		
Common stock; \$0.01 par value; 500,000,000 shares authorized; 22,047,299 and 22,507,159 shares issued, respectively	220	223
Treasury stock, at cost, 2,842,144 and 2,711,712 shares, respectively	(141,353)	(137,556)
Additional paid-in capital	284,420	318,706
Retained earnings	365,967	352,548
Accumulated other comprehensive income	19,715	18,119
Total stockholders' equity	528,969	552,040
Total liabilities and stockholders' equity	<u>\$ 1,238,545</u>	<u>\$ 1,199,040</u>

HURON CONSULTING GROUP INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Three Months Ended March 31,	
	2023	2022
Cash flows from operating activities:		
Net income	\$ 13,419	\$ 26,852
Adjustments to reconcile net income to cash flows from operating activities:		
Depreciation and amortization	6,407	6,864
Non-cash lease expense	1,644	1,640
Lease-related impairment charge	1,870	—
Share-based compensation	11,562	7,935
Amortization of debt discount and issuance costs	191	198
Allowances for doubtful accounts	3	28
Deferred income taxes	—	7,129
(Gain) loss on sale of property and equipment, excluding transaction costs	1	(1,067)
Change in fair value of contingent consideration liabilities	435	12
Change in fair value of preferred stock investment	—	(26,964)
Changes in operating assets and liabilities, net of acquisitions and divestiture:		
(Increase) decrease in receivables from clients, net	827	5,791
(Increase) decrease in unbilled services, net	(31,669)	(35,239)
(Increase) decrease in current income tax receivable / payable, net	1,487	3,266
(Increase) decrease in other assets	(5,205)	1,361
Increase (decrease) in accounts payable and other liabilities	(1,881)	(7,044)
Increase (decrease) in accrued payroll and related benefits	(89,843)	(70,689)
Increase (decrease) in deferred revenues	(1,349)	828
Net cash used in operating activities	<u>(92,101)</u>	<u>(79,099)</u>
Cash flows from investing activities:		
Purchases of property and equipment	(1,956)	(3,924)
Investment in life insurance policies	(1,833)	—
Purchases of businesses	38	(2,289)
Capitalization of internally developed software costs	(6,575)	(2,060)
Proceeds from note receivable	154	—
Proceeds from sale of property and equipment	—	4,750
Divestiture of business	—	207
Net cash used in investing activities	<u>(10,172)</u>	<u>(3,316)</u>
Cash flows from financing activities:		
Proceeds from exercise of stock options	627	648
Shares redeemed for employee tax withholdings	(9,529)	(6,884)
Share repurchases	(45,133)	(24,097)
Proceeds from bank borrowings	201,000	150,000
Repayments of bank borrowings	(44,000)	(47,780)
Payments for debt issuance costs	(16)	—
Deferred payments on business acquisition	(500)	(500)
Net cash provided by financing activities	<u>102,449</u>	<u>71,387</u>
Effect of exchange rate changes on cash	16	(5)
Net increase (decrease) in cash and cash equivalents	192	(11,033)
Cash and cash equivalents at beginning of the period	11,834	20,781
Cash and cash equivalents at end of the period	<u>\$ 12,026</u>	<u>\$ 9,748</u>

HURON CONSULTING GROUP INC.
SEGMENT OPERATING RESULTS AND OTHER OPERATING DATA
(Unaudited)

Segment and Consolidated Operating Results (in thousands):	Three Months Ended March 31,		Percent Increase (Decrease)
	2023	2022	
Healthcare:			
Revenues	\$ 149,049	\$ 121,876	22.3 %
Operating income	\$ 32,255	\$ 28,032	15.1 %
Segment operating margin	21.6 %	23.0 %	
Education:			
Revenues	\$ 104,147	\$ 80,662	29.1 %
Operating income	\$ 23,165	\$ 14,306	61.9 %
Segment operating margin	22.2 %	17.7 %	
Commercial:			
Revenues	\$ 64,699	\$ 57,511	12.5 %
Operating income	\$ 14,067	\$ 12,214	15.2 %
Segment operating margin	21.7 %	21.2 %	
Total Huron:			
Revenues	\$ 317,895	\$ 260,049	22.2 %
Reimbursable expenses	8,490	4,726	79.6 %
Total revenues and reimbursable expenses	\$ 326,385	\$ 264,775	23.3 %
Segment operating income	\$ 69,487	\$ 54,552	27.4 %
Items not allocated at the segment level:			
Other operating expenses	46,340	33,548	38.1 %
Depreciation and amortization	4,716	5,046	(6.5)%
Total operating income	18,431	15,958	15.5 %
Other income (expense), net	(2,584)	22,169	(111.7)%
Income before taxes	\$ 15,847	\$ 38,127	(58.4)%
Other Operating Data:			
Number of revenue-generating professionals by segment (at period end) ⁽¹⁾:			
Healthcare	1,985	1,647	20.5 %
Education	1,633	1,231	32.7 %
Commercial ⁽²⁾	1,395	1,145	21.8 %
Total	5,013	4,023	24.6 %
Revenue by capability:			
Consulting and Managed Services ⁽³⁾	\$ 177,194	\$ 150,584	17.7 %
Digital	140,701	109,465	28.5 %
Total	\$ 317,895	\$ 260,049	22.2 %
Number of revenue-generating professionals by capability (at period end) ⁽¹⁾:			
Consulting and Managed Services ⁽⁴⁾	2,360	2,003	17.8 %
Digital	2,653	2,020	31.3 %
Total	5,013	4,023	24.6 %
Utilization rate by capability ⁽⁵⁾:			
Consulting	76.3 %	71.4 %	
Digital	71.0 %	72.4 %	

(1) Consists of our full-time consultants who generate revenues based on the number of hours worked; full-time equivalents, which consists of coaches and their support staff within the Culture and Organizational excellence solution, consultants who work variable schedules as needed by clients, and full-time employees who provide software support and maintenance services to clients; and our Healthcare Managed Services employees who provide revenue cycle billing, collections insurance verification and change integrity services to clients.

(2) The majority of our revenue-generating professionals within our Commercial segment can provide services across all of our industries, including healthcare and education.

(3) Managed Services capability revenues within our Healthcare segment was \$19.8 million and \$13.8 million for the three months ended March 31, 2023 and 2022, respectively.

Managed Services capability revenues within our Education segment was \$4.6 million and \$3.4 million for the three months ended March 31, 2023 and 2022, respectively.

(4) The number of Managed Services revenue-generating professionals within our Healthcare segment as of March 31, 2023 and 2022 was 726 and 543, respectively.

The number of Managed Services revenue-generating professionals within our Education segment as of March 31, 2023 and 2022 was 101 and 92, respectively.

(5) Utilization rate is calculated by dividing the number of hours our billable consultants worked on client assignments during a period by the total available working hours for these billable consultants during the same period. Available hours are determined by the standard hours worked by each billable consultant, adjusted for part-time hours, and U.S. standard work weeks. Available working hours exclude local country holidays and vacation days. Utilization rates are presented for our revenue-generating professionals who primarily bill on an hourly basis. We have not presented utilization rates for our Managed Services professionals as most of the revenues generated by these employees are not billed on an hourly basis.

HURON CONSULTING GROUP INC.
RECONCILIATION OF NET INCOME
TO ADJUSTED EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTIZATION ⁽⁶⁾
(In thousands)
(Unaudited)

	Three Months Ended March 31,	
	2023	2022
Revenues	\$ 317,895	\$ 260,049
Net income	\$ 13,419	\$ 26,852
Add back:		
Income tax expense	2,428	11,275
Interest expense, net of interest income	4,303	2,196
Depreciation and amortization	6,553	7,122
Earnings before interest, taxes, depreciation and amortization (EBITDA) ⁽⁶⁾	26,703	47,445
Add back:		
Restructuring charges	2,284	1,555
Other losses	435	12
Transaction-related expenses	—	50
Unrealized gain on preferred stock investment	—	(26,964)
Foreign currency transaction losses, net	80	19
Adjusted EBITDA ⁽⁶⁾	\$ 29,502	\$ 22,117
Adjusted EBITDA as a percentage of revenues ⁽⁶⁾	9.3 %	8.5 %

HURON CONSULTING GROUP INC.
RECONCILIATION OF NET INCOME TO ADJUSTED NET INCOME ⁽⁶⁾
(In thousands, except per share amounts)
(Unaudited)

	Three Months Ended March 31,	
	2023	2022
Net income	\$ 13,419	\$ 26,852
Weighted average shares - diluted	19,699	21,167
Diluted earnings per share	\$ 0.68	\$ 1.27
Add back:		
Amortization of intangible assets	2,231	2,860
Restructuring charges	2,284	1,555
Other losses	435	12
Transaction-related expenses	—	50
Unrealized gain on preferred stock investment	—	(26,964)
Tax effect of adjustments	(1,312)	5,959
Total adjustments, net of tax	3,638	(16,528)
Adjusted net income ⁽⁶⁾	\$ 17,057	\$ 10,324
Adjusted weighted average shares - diluted	19,699	21,167
Adjusted diluted earnings per share ⁽⁶⁾	\$ 0.87	\$ 0.49

(6) In evaluating the company's financial performance and outlook, management uses earnings before interest, taxes, depreciation and amortization ("EBITDA"), adjusted EBITDA, adjusted EBITDA as a percentage of revenues, adjusted net income, and adjusted diluted earnings per share, which are non-GAAP measures. Management uses these non-GAAP financial measures to gain an understanding of the company's comparative operating performance (when comparing such results with previous periods or forecasts). These non-GAAP financial measures are used by management in their financial and operating decision making because management believes they reflect the company's ongoing business in a manner that allows for meaningful period-to-period comparisons. Management also uses these non-GAAP financial measures when publicly providing the company's business outlook, for internal management purposes, and as a basis for evaluating potential acquisitions and dispositions. Management believes that these non-GAAP financial measures provide useful information to investors and others in understanding and evaluating Huron's current operating performance and future prospects in the same manner as management does, if they so choose, and in comparing in a consistent manner Huron's current financial results with Huron's past financial results. Investors should recognize that these non-GAAP measures might not be comparable to similarly titled measures of other companies. These measures should be considered in addition to, and not as a substitute for or superior to, any measure of performance, cash flows or liquidity prepared in accordance with accounting principles generally accepted in the United States.



Huron Consulting Group Inc.

Investor Presentation



2023



huronconsultinggroup.com

Forward-Looking Statements

Statements in this presentation that are not historical in nature, including those concerning the company's current expectations about its future results, are "forward-looking" statements as defined in Section 21E of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995. Forward-looking statements are identified by words such as "may," "should," "expects," "provides," "anticipates," "assumes," "can," "will," "meets," "could," "likely," "intends," "might," "predicts," "seeks," "would," "believes," "estimates," "plans," "continues," "goals," "guidance," "target," or "outlook" or similar expressions. These forward-looking statements reflect the company's current expectations about future requirements and needs, results, levels of activity, performance, or achievements. Some of the factors that could cause actual results to differ materially from the forward-looking statements contained herein include, without limitation: failure to achieve expected utilization rates, billing rates, and the necessary number of revenue-generating professionals; inability to expand or adjust our service offerings in response to market demands; our dependence on renewal of client-based services; dependence on new business and retention of current clients and qualified personnel; failure to maintain third-party provider relationships and strategic alliances; inability to license technology to and from third parties; the impairment of goodwill; various factors related to income and other taxes; difficulties in successfully integrating the businesses we acquire and achieving expected benefits from such acquisitions; risks relating to privacy, information security, and related laws and standards; and a general downturn in market conditions. These forward-looking statements involve known and unknown risks, uncertainties, and other factors, including, among others, those described under "Item 1A. Risk Factors" in Huron's Annual Report on Form 10-K for the year ended December 31, 2022 that may cause actual results, levels of activity, performance or achievements to be materially different from any anticipated results, levels of activity, performance, or achievements expressed or implied by these forward-looking statements. The company disclaims any obligation to update or revise any forward-looking statements as a result of new information or future events, or for any other reason.

Use of non-GAAP financial measures

In evaluating the company's financial performance and outlook, management uses EBITDA, adjusted EBITDA, adjusted EBITDA as a percentage of revenues, adjusted net income, adjusted diluted earnings per share, free cash flow, and free cash flow yield which are non-GAAP measures. Management uses these non-GAAP financial measures to gain an understanding of the company's comparative operating performance (when comparing such results with previous periods or forecasts). These non-GAAP financial measures are used by management in their financial and operating decision making because management believes they reflect the company's ongoing business in a manner that allows for meaningful period-to-period comparisons. Management also uses these non-GAAP financial measures when publicly providing their business outlook, for internal management purposes, and as a basis for evaluating potential acquisitions and dispositions. Management believes that these non-GAAP financial measures provide useful information to investors and others in understanding and evaluating Huron's current operating performance and future prospects in the same manner as management does, if they so choose, and in comparing in a consistent manner Huron's current financial results with Huron's past financial results. Investors should recognize that these non-GAAP measures might not be comparable to similarly titled measures of other companies. These measures should be considered in addition to, and not as a substitute for or superior to, any measure of performance, cash flows or liquidity prepared in accordance with accounting principles generally accepted in the United States.

Management has provided its outlook regarding adjusted EBITDA and adjusted diluted earnings per share, both of which are non-GAAP financial measures and exclude certain charges. Management has not reconciled these non-GAAP financial measures to the corresponding GAAP financial measures because guidance for the various reconciling items is not provided. Management is unable to provide guidance for these reconciling items because they cannot determine their probable significance, as certain items are outside of the company's control and cannot be reasonably predicted since these items could vary significantly from period to period. Accordingly, reconciliations to the corresponding GAAP financial measures are not available without unreasonable effort.

Our Business



Huron is a **global professional services firm** that partners with clients to develop **growth strategies, optimize operations** and **accelerate digital transformation** using an **enterprise portfolio of technology, data and analytics solutions** to create sustainable results for the organizations we serve

Focused on Serving Enduring End Markets

2022 Revenue by Segment



44% of 2022 revenues derived from our Digital capability

⁽¹⁾ Commercial segment includes financial services, energy and utilities and all other industries.

⁽²⁾ Annual Commercial segment revenue growth excluding the impact of the Life Sciences divestiture, which closed in Q4 2021.

2022 Financial Results Demonstrate Strong Execution of our Strategy

Companywide Highlights

25% Revenue growth year-over-year	80 bps Adjusted EBITDA margin expansion year-over-year	31% Adjusted EPS growth year-over-year
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Business Highlights

20% Healthcare segment revenue growth year-over-year	48% Education segment revenue growth year-over-year	18%⁽²⁾ Commercial segment revenue growth year-over-year	41% Digital capability revenue growth year-over-year
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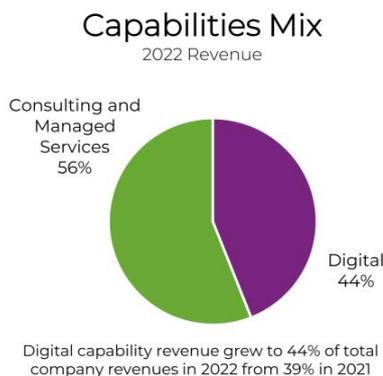
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Our strategy for driving increased shareholder value



Compelling mix of industry-differentiated offerings

Industries of Focus



Consulting and Managed Services

Building on our long-term client relationships to help address a variety of strategic, operational, financial, people and organizational-related challenges by providing an array of consulting, managed services and outsourcing services that best address their unique needs.



Digital

Helping organizations: (i) design and execute technology, data and analytic strategies that accelerate transformation, facilitate data-driven decision making, and improve the customer and employee experience and (ii) implement our industry-focused proprietary software products.

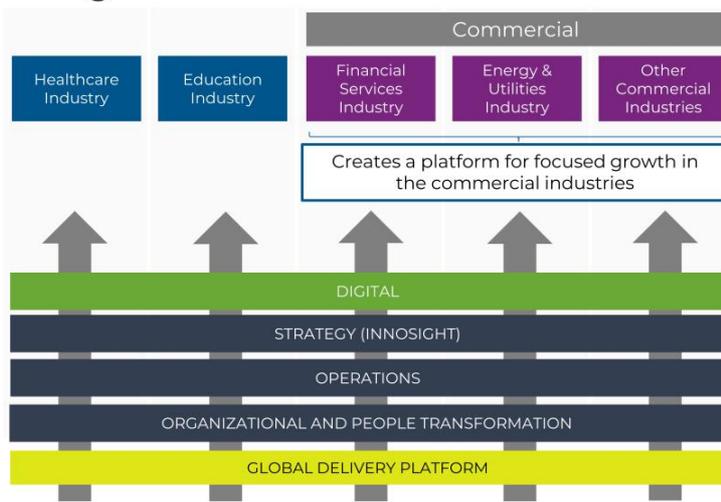


86%
of Digital revenue in 2022 was comprised of technology services revenue



14%
of Digital revenue in 2022 was comprised of technology product revenue

Our global enterprise platform is designed to provide a client-centric approach and bring the full breadth of Huron’s offerings to our industries of focus



Industry

Aligned under a common go-to-market strategy across all of **our firm-wide offerings in each industry** with greater accountability to achieve our industry growth goals



Capability

Aligned common capabilities across the enterprise to better drive operating efficiencies and elevate our collective market position across **Consulting, Digital, and Managed Services**

Driving our vision and unlocking value for all stakeholders through our five key ESG commitments

Illustrative Actions Taken in 2022

ADVANCING OUR CLIENTS' MISSIONS	We serve clients in industries that have a significant impact on the health and well-being, education and economic growth of our communities	Served more than 1,400 clients in the healthcare and education industries
INVESTING IN OUR PEOPLE	We are committed to investing in our people and fostering a diverse and inclusive culture	Made progress on our five-year Diversity, Equity and Inclusion action plan and implemented a 360-degree feedback assessment for our senior most leaders to enhance ongoing development
SERVING OUR COMMUNITIES	We have a long tradition of supporting the communities where we live and work	Supported 1,100 unique charitable organizations through volunteering, matching gifts and corporate donations
ACHIEVING ENVIRONMENTAL PROGRESS	We are focused on protecting and preserving our planet for future generations	Reported our greenhouse gas (GHG) emissions in advance of setting carbon-reduction targets in 2023
MANAGING RESPONSIBLY	We hold our directors, management and employees to the highest standards of integrity and principled business conduct	Ongoing updates to provide additional transparency into our policies and practices

For more details, see the Company's 2023 Environmental, Social and Governance (ESG) Report, which can be found in the investor relations section of the Company's website, including our Sustainability Accounting Standards Board (SASB) Index Addendum, EEO-1 Statement and environmental impact data.

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Our Market Opportunity
and Growth Initiatives

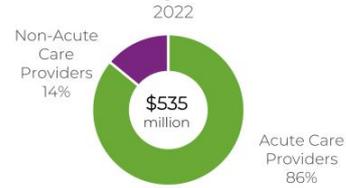


Healthcare industry overview

Providing Proven and Innovative Solutions to Address Key Industry Challenges

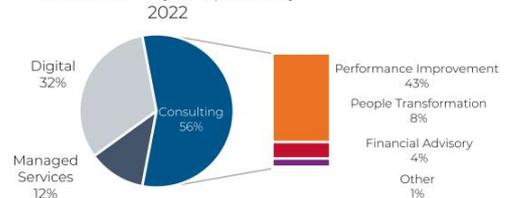
- Performance Improvement**
 - Increased economic challenges driven by strained cost structures and worsening payor mix
- Managed Services**
 - Clinical delivery shifting from inpatient to outpatient settings
- Digital Transformation**
 - Increased number of virtual care providers and disruptive entrants coming to market
- Strategy and Financial Advisory**
 - Consumer expectations shifting, including a desire for more virtual care
 - Disruption in the workforce with personnel shortages, the war for talent and labor costs increasing
- People Transformation**
 - Inadequate technology leading to a focus on digital transformation
 - Greater focus on community impact, including social determinants of health and health equity

Healthcare Segment Revenue



On average, 90%+ of annual Healthcare industry segment revenues are derived from repeat clients

Revenue by Capability



Healthcare Digital revenues and revenue cycle managed services grew 44% and 42%, respectively in 2022 as compared to 2021

Driving future growth in Healthcare

STRONG MOMENTUM TO DATE	OPPORTUNITIES THAT LIE AHEAD		
	STRENGTHENING OUR LEADING MARKET POSITION	GROWING OUR CONSULTING OFFERINGS	ADVANCING OUR DIGITAL CAPABILITIES
<ul style="list-style-type: none"> • Grew total Healthcare segment revenues 20% in 2022 as compared to 2021 • Grew Healthcare industry Digital revenues 44% in 2022 as compared to 2021 • Grew revenue cycle managed services offerings 42% in 2022 as compared to 2021 • Grew Healthcare industry consulting revenues 6% in 2022 as compared to 2021 	<ul style="list-style-type: none"> • Accelerating growth in revenue cycle consulting and managed services • Combining our strategic, digital and performance improvement capabilities to drive greater margin improvements for our clients • Advancing people transformation capabilities to help clients achieve greater workforce resiliency 	<ul style="list-style-type: none"> • Expanding our federal health and payor offerings • Integrating and advancing our healthcare-focused financial advisory offerings into our core offerings and client relationships • Advancing our financial distressed healthcare, consumer affordability, and growth strategy-related offerings 	<ul style="list-style-type: none"> • Growing market share in our core healthcare digital services (e.g., EHR, ERP, CRM, etc.) and products • Further developing and deploying intelligent automation and analytics, including through our acquisition of Perception Health • Advancing and expanding our digital capabilities, including in data and advanced analytics (AI/ML)

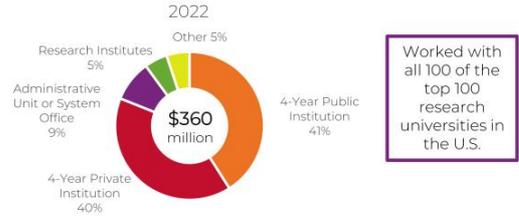
Education industry overview

Providing Proven and Innovative Solutions to Address Key Industry Challenges

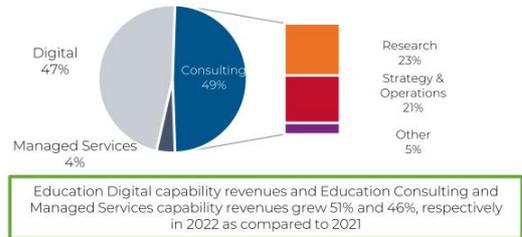
- 
Strategy and Innovation
- 
Research Enterprise
- 
Student and Alumni Strategy
- 
Digital Transformation
- 
Business Operations
- 
People Transformation

- Value of higher education and long-term sustainability continue to be in question
- Disruption in the workforce and the war for talent is increasing
- Enrollment challenges increasing despite rise in applications
- Conventional research funding sources are becoming less stable and more uncertain
- Continued governmental scrutiny, including attention to conflicts of interest and foreign influence
- Financial profile creates opportunity for strategic investment and transformation
- Increased pressure to modernize operations with shift to the cloud

Education Segment Revenue



Revenue by Capability



Driving future growth in Education

STRONG MOMENTUM TO DATE	OPPORTUNITIES THAT LIE AHEAD		
	STRENGTHENING OUR LEADING MARKET POSITION	GROWING OUR CONSULTING OFFERINGS	ADVANCING OUR DIGITAL CAPABILITIES
<ul style="list-style-type: none"> • Grew total Education segment revenues 48% in 2022 as compared to 2021 • Grew Education industry Digital revenues 51% in 2022 as compared to 2021 • Grew research managed services offerings 72% in 2022 as compared to 2021 • Grew Education industry consulting revenues 44% in 2022 as compared to 2021 	<ul style="list-style-type: none"> • Accelerating growth in research consulting and managed services • Strengthening and expanding our strong competitive advantage in our strategy and operations offerings • Continuing to gain momentum in student information systems (SIS) offerings, which represents a \$6B total addressable market opportunity 	<ul style="list-style-type: none"> • Expanding our consulting offerings into new areas (e.g., athletics, M&A, talent strategy, etc.) • Accelerating growth in student strategy, including new search capabilities acquired via Whiteboard Higher Education • Advancing analytics capabilities to further differentiate our consulting offerings 	<ul style="list-style-type: none"> • Continuing to grow our core education digital service offerings (i.e., ERP, EPM, CRM, etc.) • Traditional HCM/FIN ERP offerings alone represent a \$4B total addressable market opportunity • Further investing in our Huron Research Suite product to gain additional market share and support full research outsourcing • Strengthening our global delivery capabilities

Commercial industry overview

Providing Proven and Innovative Solutions to Address Key Industry Challenges

Financial Services

Energy and Utilities

Public Sector

Other Industries

Financial Services

- Growing financial and operational pressure stemming from continued economic uncertainty
- Increased scrutiny of capital adequacy being driven by current banking failures, compliance points of failure, presumably additional regulation

Energy and Utilities

- Strong financial positions fueling opportunistic M&A
- Increasing operational pressures from delayed capital spending stemming from lingering supply chain issues, inflation and the possibility of a recession

Public Sector

- Increased congressional oversight, technology upgrade requirements, and regulatory constraints
- Significant opportunity to advance public sector operations to more closely align with the private sector

All Industries

- Continued shift to the cloud and digitization
- Unleashing the next wave of productivity in increasingly competitive and financially challenging environments
- Continued focus on the power of data, advanced analytics and automation

Industries of Focus

Financial Services

Energy and Utilities

Public Sector

Opportunistically Serve All Other Industries

Personas of Focus:

- CEO
- CFO
- Chief Strategy Officer
- CHRO
- COO
- Organizational advisors, including lenders and law firms

Revenue by Capability 2022

Commercial Digital revenues grew 30% in 2022 as compared to 2021

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Driving future growth in Commercial

STRONG MOMENTUM TO DATE	OPPORTUNITIES THAT LIE AHEAD		
	STRENGTHENING OUR PRESENCE IN THE COMMERCIAL INDUSTRIES	GROWING OUR CONSULTING OFFERINGS	ADVANCING OUR DIGITAL CAPABILITIES
<ul style="list-style-type: none"> • Grew total Commercial segment revenues 18%⁽¹⁾ in 2022 as compared to 2021 • Grew Commercial industry Digital revenues 41% in 2022 as compared to 2021 • Acquired AIMDATA to enhance our data strategy and technology consulting offerings 	<ul style="list-style-type: none"> • Integrating our strategy, digital and financial advisory capabilities into a comprehensive, global operating platform that accelerates growth across all our industries • Further establishing our foothold in oil and gas while expanding into new sectors within the Energy & Utilities value chain • Broadening our client base within the Federal government 	<ul style="list-style-type: none"> • Deepening our industry expertise in our strategy offerings • Capitalizing on favorable market conditions for our special situations offerings • Further diversifying and growing our financial advisory offerings, including in public finance advisory, bank regulatory advisory, and real estate advisory 	<ul style="list-style-type: none"> • Growing market share in our core commercial digital services (e.g., EHR, ERP, CRM, etc.) • Advancing and expanding our digital capabilities, including in advanced data and analytics (AI/ML) • Scale our technology-related managed services to strengthen our recurring revenue base

⁽¹⁾ Annual Commercial segment revenue growth excluding the impact of the Life Sciences divestiture, which closed in Q4 2021

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Our Proven Results



Delivering proven results for our clients

Illustrative case studies



Huron partnered with [Virginia Hospital Center](#) (VHC) had successfully completed several internal initiatives to prepare for the future but wanted to realize further gains by improving the patient and family experience, increasing capacity and providing more efficient care. Following a successful revenue cycle engagement, VHC partnered with Huron to transform its care delivery in the inpatient and emergency department settings. The goal of the work was to improve the patient and family experience, increase capacity and provide more efficient care. Through interdisciplinary rounds, comprehensive patient flow reporting, standardizing case management and technology optimization, Huron helped VHC reduce length of stay, increase accuracy in prediction of discharges, and achieve significant growth in nursing, physician and discharge composite HCAHPS scores. The result was a 1/3 day reduction in severity adjusted length of stay per patient, the creation of capacity to serve approximately 1,000 additional patients annually and improved resource utilization.



[The University of Miami](#) partnered with Huron and leveraged Salesforce technology to create 'Canes Central, a new platform utilized to create an online self-service portal and to empower staff to personalize student service in an all new, state-of-the-art facility. The university worked with Huron and used a blended team approach that integrated stakeholders across the university to achieve the project's goal of creating unique, personalized experiences that would give students an expanded range of options for obtaining support. The project's success led to energized institutional innovation, with the university tracking indicators to ensure that engagement and satisfaction among students remain strong. The 'Canes Central platform has helped staff handle more than 13,000 student interactions in the first nine weeks of operation, with 94% reporting they are highly satisfied with the platform.



[A large regional health system](#) hired Huron to evaluate its consumer strategy, including technology capabilities, in order to create a sustainable plan for enterprise-wide consumer transformation. The client's goals included: improving the consumer experience, delivering on its brand promise for personalized care, and solidifying its position as the provider of choice within a highly competitive market. Huron's team used data-driven insights from stakeholder analysis and research to develop a consumer journey and digital transformation roadmap. Prioritized areas for improvement included: patient and provider technologies, data management, and analytics. They also identified cost-saving and organizational alignment opportunities by reviewing technology, governance, and finances. By benchmarking against digital best practices, the team set measurable targets for technology, operations, strategy, and resources. This assessment resulted in a roadmap that still guides the health system's digital and consumer journey.

Note: For additional case studies, visit the [Insights page](#) on the Huron website.

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Delivering proven results for our clients

Illustrative case studies



Huron partnered with [The Williams Companies Inc.](#), one of the largest energy infrastructure companies in the United States, to help it reduce its compliance cost, increase operational efficiency, and gain timely data insights. In partnership with Huron, Williams implemented the largest Oracle Cloud solution in the energy and utility industry to boost its organizational resilience by standardizing processes across various business units. Williams' transformation progressed in a phased approach with Huron's CLEAR methodology, focusing on a business process-centric solution design, assurance validated through multiple testing cycles, and client enablement. This modern solution improved financial and operational efficiency by 20%, saved millions of dollars by retiring 13 legacy applications, reduced application costs and complexity, and increased business agility.



[One of the largest U.S. mortgage lenders](#) partnered with Huron to implement Workday's financial suite and analytics solution to handle increasing data volumes, support regulatory reporting, and future-proof its business by enabling greater efficiency, scalability, and agility across the enterprise. The engagement involved automating and streamlining financial operations, modernizing financial reporting and analytics, integrating Workday with more than 40 other systems, and implementing a robust change management strategy. As a result, the company achieved 220% YoY growth, consolidated 4 million loans annually, reduced financial close time by 40%, and enhanced reporting at the organizational level to make more informed business decisions.



Facing outdated technology and fragmented administrative processes, [The Fedcap Group](#) partnered with Huron to embark on a digital transformation journey. The aim was to replace their legacy technology with a centralized, cloud-based Oracle ERP financial and procurement solution, a new CRM system, a modernized HCM system, and a new EPM solution. The company sought centralized data to enable continuous innovation in the face of disruption. Huron helped by generating top-down support, unlocking insights into the unique attributes of the client base, and investing in design that advances the institutional vision long after implementation. The Fedcap Group has seen significant returns on its cloud investment due to the solid groundwork it built during the ERP, HCM, and CRM implementation.

Note: For additional case studies, visit the [insights page](#) on the Huron website.

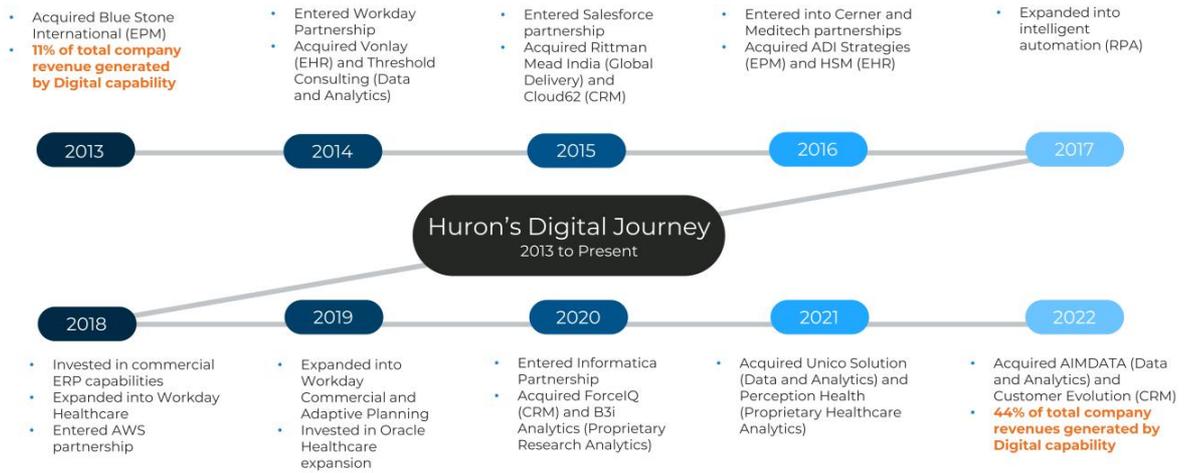
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Our Digital Capability



Investing organically and inorganically to advance our rapidly growing global Digital capability

Illustrative investments



Grew a nearly \$500M Digital platform since 2010 through organic investments and \$200M+ in deployed capital



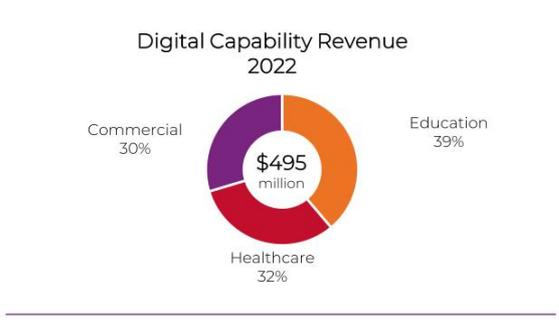
Note: Other revenue represents 2% of total Digital revenues in 2022.

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Deeply integrating our industry focus with our Digital capabilities to strengthen our competitive advantage and accelerate growth

Providing Proven and Innovative Solutions to Address Key Industry Challenges

 Technology Strategy & Advisory	<p>Healthcare</p> <ul style="list-style-type: none"> Leveraging technology to generate cost savings and catalyze organizational growth Improving business and clinical operations with technology-led innovation and reimagined care delivery models, including virtual care
 Pre-Implementation	<p>Education</p> <ul style="list-style-type: none"> Need to modernize operations with a shift to the cloud Connecting seamlessly throughout the student's collegiate journey (pre-, during and post-graduation) Providing researchers with innovative support models
 Implementation	<p>Commercial</p> <ul style="list-style-type: none"> Continued shift to the cloud and digitization Unleashing the next wave of productivity in increasingly competitive and financially challenging environments Delivering on the power of a data-driven enterprise Continued focus on the power of data, advanced analytics and automation
 Optimization	
 Managed Services	



25+ Technology Partners

	Partner		Services Partner	
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Our Financial Outlook



Strong 2022 performance demonstrates commitment to consistent revenue growth and margin expansion

COMPANYWIDE HIGHLIGHTS

25%

Revenue growth
year-over-year

80 bps

Adjusted EBITDA
margin expansion
year-over-year

31%

Adjusted EPS growth
year-over-year

BUSINESS HIGHLIGHTS



20%

Healthcare segment
revenue growth
year-over-year



48%

Education segment
revenue growth
year-over-year



18%⁽¹⁾

Commercial segment
organic revenue growth
year-over-year



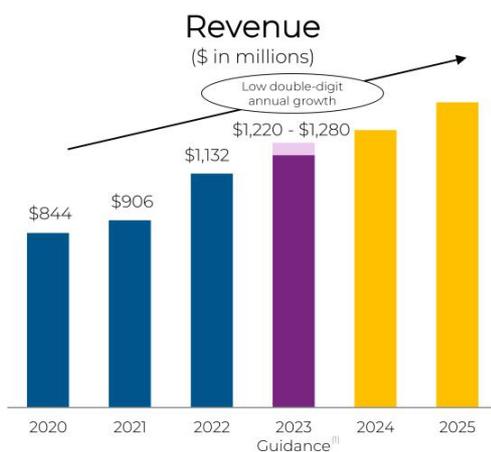
41%

Digital capability
revenue growth
year-over-year

⁽¹⁾ Annual Commercial segment revenue growth excluding the impact of the Life Sciences divestiture, which closed in Q4 2021

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Building on our primary revenue drivers to achieve consistent revenue growth



(1) Guidance is as of May 2nd, 2023

Low double-digit annual growth target from 2022 to 2025 expected to be driven by organic revenue

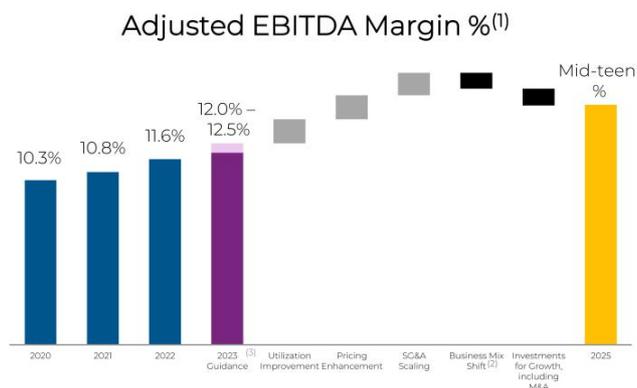
- Strong market tailwinds create growth opportunities in each of our core end markets and capabilities
- Deep industry client relationships with opportunities in which to expand wallet share by strengthening collaboration across industries and capabilities
- Accelerating growth in areas with recurring revenue

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Building on our primary revenue drivers, including our foundation of recurring revenue, to drive consistent growth



Adjusted EBITDA margin % is on a trajectory to achieve mid-teen % in 2025



Committed to annual expansion while maintaining flexibility to optimally manage the business

- Operating income margin expansion driven by improved utilization and pricing and shift in business mix
- Improved SG&A leverage to continue as we scale the business
 - 28% of employees based in India in 6 cities across 5 capabilities: digital services, global products, RCM, enterprise S/S, and global operations
- Commitment to margin expansion includes continued investments in organic and inorganic growth and mix shift to digital offerings

(1) See Appendix for a reconciliation of adjusted EBITDA margin %, a non-GAAP measure.

(2) Business mix shift represents the impact of the rapid growth of our Digital capability, which has lower margins than our Consulting and Managed Services capability.

(3) Guidance is as of May 2nd, 2023

Rapidly growing global delivery platform enables Huron to accelerate growth and expand margins



Healthy balance sheet and strong cash flows create flexibility to return capital to shareholders and drive future growth



Strategic capital deployment framework balances growth, flexibility and return of capital to shareholders

- Based on our revenue and adjusted EBITDA margin % expectations, we anticipate having **\$750 million to \$1 billion available for deployment** over the five-year period ending in 2027
- Targeting 25%-50% of deployed capital returned to shareholders via share repurchases through 2025⁽²⁾
- Invest in the business to strengthen our competitive position, including through the execution of strategic, tuck-in M&A
- Manage debt levels to achieve approximately 2.0x leverage ratio

Historical and Expected Future Deployment of Capital	
2022	5-Year Framework (2022 to 2027)
<ul style="list-style-type: none"> • 63% debt paydown • 30% share repurchases • 6% capital expenditures • 1% M&A 	<ul style="list-style-type: none"> • Target 25%-50% in annual share repurchases • 50%-75% available to invest in our business, inclusive of M&A and organic investment in our consulting, digital and managed services capabilities

(1) 2021 free cash flow is adjusted for the impact of our Life Sciences divestiture, which excludes transaction-related employee and third-party costs as well as estimated tax payments and net working capital adjustments. 2021 free cash flow yield is lower than historical amounts, reflecting record low DSO as of December 31, 2020 and the pull forward of certain cash receipts into Q4 2020, the repayment in 2021 of 2020 FICA deferrals under the CARES ACT, and a DSO higher than our target of 60 days as of December 31, 2021 due to the impact of certain larger projects with extended contractual payment terms.
 (2) As of December 31, 2022, the Company had \$109M remaining under its share repurchase authorization.
 (3) See appendix for a reconciliation of free cash flow and free cash flow yield, both of which are non-GAAP measures.
 (4) Free cash flow from operating activities of \$130 million to \$150 million less capital expenditures of \$30 million to \$35 million; guidance as of May 2nd, 2023.

Disciplined approach to M&A will continue to provide opportunities to accelerate growth

Recent Acquisitions



Strengthening our track record of success

- Huron named Informatica's 2022 North America Partner of the Year, building on the combined strength of Huron's data management and analytics capabilities and our acquisitions of Unico Solution and AIMDATA (closed in 2021 and 2022, respectively)
- Huron is the market leader ranked #1 in the Digital Rounding – 2023 Best in KLAS® report, building on Huron's acquisition of MyRounding (closed in 2016)

Criteria used to evaluate acquisition opportunities

1. **Aligns with our business strategy**
 - Expands our capabilities into adjacent offerings
 - Strengthens our industry expertise
2. **Enhances our financial strategy**
 - Has a strong growth trajectory on a standalone basis
 - Is accretive to EBITDA margins
3. **Are a strong cultural fit**
 - Two-thirds of our recent acquisitions were Huron partners or teams we worked side-by-side with at a client prior to discussing a potential transaction

A clear and compelling investment thesis

				
<p>A PREEMINENT GLOBAL CONSULTANCY AND DIGITAL PARTNER</p>	<p>MEANINGFUL GROWTH OPPORTUNITY IN OUR CORE INDUSTRIES</p>	<p>EXPANSION OF INDUSTRY EXPERTISE AND CAPABILITIES</p>	<p>MATERIAL MARGIN EXPANSION OPPORTUNITY</p>	<p>STRONG CASH FLOW AND BALANCE SHEET</p>
<p>Leading global consultancy with deep industry focus and growing digital and managed services capabilities</p>	<p>Operating in a large, growing professional services industry with core end markets facing significant disruption and/or regulatory change</p>	<p>Supporting sustained and consistent revenue growth through expansion in areas of greatest growth potential, capitalizing on industry tailwinds and growing global digital platform</p>	<p>New operating model and focused execution on improved profitability creates significant room for margin expansion</p>	<p>Disciplined and balanced capital allocation framework underscores commitment to growth and returning capital to shareholders</p>

Appendix



Reconciliations of non-GAAP measures

Reconciliation of net income (loss) from continuing operations to adjusted earnings before interest, taxes, depreciation and amortization (EBITDA) (in millions)

	2018	2019	2020	2021	2022
Revenues	\$ 795	\$ 877	\$ 844	\$ 906	\$1,132
Net income (loss) from continuing operations	14	42	(24)	63	76
Add back:					
Income tax expense (benefit)	11	10	(10)	17	33
Interest expense, net of interest income	19	15	9	8	12
Depreciation and amortization	39	34	30	26	28
EBITDA	\$ 83	\$ 101	\$ 5	\$ 115	149
Add back:					
Restructuring charges	4	2	21	12	10
Litigation and other (gains) / losses, net	(2)	(1)	(0)	0	(0)
Unrealized gain on preferred stock investment	-	-	(2)	-	(27)
Goodwill impairment charges	-	-	60	-	-
(Gain) loss on sale of businesses	6	-	2	(32)	-
Transaction-related expenses	-	3	1	2	0
Foreign currency transaction losses (gains), net	0	0	(0)	0	(1)
Adjusted EBITDA	\$ 91	\$ 105	\$ 87	\$ 98	\$ 131
Adjusted EBITDA as a percentage of revenues	11.4%	12.0%	10.3%	10.8%	11.6%

Reconciliations of non-GAAP measures

Reconciliation of net income (loss) from continuing operations to adjusted net income from continuing operations *(in millions, except earnings per share)*

	2018	2019	2020	2021	2022
Net income (loss) from continuing operations	\$ 14	\$ 42	\$ (24)	\$ 63	\$ 76
Weighted average shares – diluted	22	23	22	22	21
Diluted earnings (loss) per share (EPS) from continuing operations	\$ 0.63	\$ 1.87	\$ (1.08)	\$ 2.89	\$ 3.64
Add back:					
Amortization of intangible assets	24	18	13	9	11
Restructuring charges	4	2	21	12	10
Litigation and other (gains) / losses, net	(2)	(1)	(0)	0	(0)
Goodwill impairment charges	-	-	60	-	-
Unrealized gain on preferred stock investment	-	-	(2)	-	(27)
(Gain) loss on sale of businesses	6	-	2	(32)	-
Transaction-related expenses	-	3	1	2	0
Non-cash interest on convertible notes	8	6	-	-	-
Tax effect	(9)	(7)	(23)	2	2
Tax expense related to Tax Cut and Jobs Act of 2017	2	-	-	-	-
Net tax benefit related to "check-the-box" election	-	(1)	-	-	-
Total adjustments, net of tax	32	20	72	(6)	(4)
Adjusted net income from continuing operations	\$ 46	\$ 62	\$ 48	\$ 57	\$ 71
Adjusted weighted average shares – diluted	22	23	22	22	21
Adjusted diluted EPS from continuing operations	\$ 2.08	\$ 2.74	\$ 2.15	\$ 2.61	\$ 3.43

Reconciliations of non-GAAP measures

Reconciliation of cash from operating activities to free cash flow *(in millions)*

	2018	2019	2020	2021	2022
Cash from operating activities	\$ 102	\$ 132	\$ 137	\$ 18	\$ 85
Less: Capital expenditures	(15)	(23)	(17)	(16)	(24)
Free cash flow	\$ 87	\$ 109	\$ 120	\$ 2	\$ 61
<i>Add back:</i>					
Life Sciences divestiture ⁽¹⁾	-	-	-	19	-
Adjusted free cash flow [A]	\$ 87	\$ 109	\$ 120	\$ 21	\$ 61
Weighted average shares – diluted [B]	22	23	22	22	21
End of period stock price [C]	\$ 51.31	\$ 68.72	\$ 58.95	\$ 49.90	\$72.60
Free cash flow yield (A / B / C)	7.7%	7.0%	9.3%	1.9% ⁽²⁾	4.0%

⁽¹⁾ 2021 free cash flow is adjusted for the impact of our Life Sciences divestiture, which excludes transaction-related employee and third-party costs as well as estimated tax payments and net working capital adjustments.

⁽²⁾ 2021 free cash flow yield is lower than historical amounts, reflecting record low DSO as of December 31, 2020 and the pull forward of certain cash receipts into Q4 2020, the repayment in 2021 of 2020 FICA deferrals under the CARES Act, and a DSO higher than our target of 60 days as of December 31, 2021 due to the impact of certain larger projects with extended contractual payment terms.

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