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<<Tim McHugh, Analyst, William Blair & Company LLC >>

Okay. We're going to go ahead and get started. So, thanks for joining us. This is presentation by Huron Consulting. For anyone who doesn't know me, I'm Tim McHugh, one of the business services analysts here. A complete list of disclosures regarding Huron can be found at williamblair.com. We're pleased to have with us today, the company's CEO, Jim Roth; the company’s CFO, John Kelly. I think Huron has a unique positioning in the consulting sector giving their expertise and focus on healthcare and education verticals as well as some of the capabilities that built out in IT consulting. This is the last presentation of the day. So after they wrap up the presentation, we’ll do Q&A in here rather than go to a different room for the breakout.

With that, I’ll turn it over to Jim.

<<Jim Roth, Chief Executive Officer and President>>

Thank you, Tim, and thanks for joining us today. We're going to go through a couple of our slides here quickly and we'll obviously be answering any questions right around. Huron has a just a little bit of background for those of you that aren't as familiar with the company. We were formed in 2002. I was actually one of the founders at the time. Today, we have more than 3,000 people and we have – really the company has changed quite a bit during the period of time. Today, we’re a very different company than we were back then. And I would say for the past four or five years, we really have focused on a bunch of strategic changes within the company, but that will help us – that we believe are going to – continue to help us grow quite substantially in the future.

Our footprint is global, although we still do a majority of our work here in the U.S. and in Canada, but we have clearly served as our practice and our company has expanded, we have focused on serving certainly in the health and education area, which continues to be about 75% of our business. We worked with 65 of the top 100 hospitals in the country and 100 of the top 100 research universities. Our commercial presence continues to grow quite a bit in our Business Advisory segment and we'll talk more about that in a second as well.

So, this has really been an interesting time for us. As we've kind of taken the practice of the company rather and got it to the point where it has a focus now on really one specific area and that is our fundamental belief that our clients' businesses are changing dramatically and that we are in business now to help them harness what they need to do to be able to be successful in the future. And so we aim to help them not only perform and improve their fundamental operational performance, but also to begin to help them think through what are we likely to look like in the next four or five years and what do we need to do today starting today to be successful in that future environments.

So it’s just transformation that we're very focused on with across all of our clients in terms of helping them really figure out collectively at the senior levels what their strategy needs to be in order to be successful in the future, how do they think about that and what do they need to do today recognizing the some portions of their business may actually deteriorate and other things that they know that they're going to start inventing today. This is the focus of what we're doing right now and really helping them enable this transformational change that we think will help them be successful in the future.

Our current operational mix is also continues to change. As I said, we're still about 70% health and education. Our Business Advisory Segment has grown dramatically and will continue to grow dramatically over the coming years, but we feel very good about this mix. I think the most important part about this mix is that appears I think maybe four or five years ago our company went after market in a very structured way and not very unified way and the biggest change that we've had within Huron over the last two years is that we really have become much more of a unified operating company, where we really have a focus on making all of our businesses work together that's across strategy, operations, technology and it's become a very important part of the way we go to market and I think one of the areas – one of the reasons we've been very successful.

This unified platform, as I said, it really comes to life in ways that we think it's really nice to talk about on a conceptual level that's helped us out, but in reality we have a 21% for example of the work that we do in our Business Advisory segment has actually generated in our two largest industry verticals: healthcare and education. And when we go to market with our collective competencies around technology, around strategy, around M&A that we have within the business advisory segment, it gives us a great opportunity to differentiate ourselves in the markets and bring to bear services that don't necessarily resonate or don't necessarily reside rather in our industry verticals.

So, it's been very successful. As the Business Advisory segment grows, we think this is going to continue to be in a really important metric to see how successful we're being, but also on that I think is going to be again our competitive advantage being able to bundle, collective competencies in the ways that I think a lot of our competitors are not able to do as effectively.

This again brings it to life. We don't list the client names here, but this is a clear indication on this slide about how when we unlock the value of this platform. How it really begins to resonate and you begin to see that a lot of our clients when they understand and are presented with the collective competencies that we have across the company, how much they're actually able to do it which you can see a vast majority of our work today are our larger projects in particular tend to be done across multiple segments within Huron. That's something that never happened before and we believe that’s going to continue to be one of the rational for our future growth.

So, as I have indicated, we've changed a lot in the company. We've had a last – last couple years have been challenging for us, particularly, in the healthcare side as we saw our healthcare, the market changed dramatically and it caused us in a very positive way, but it caused us to go back and really transform our healthcare practice into one that is going to be much more reflective of what the market is looking for and so we've done that. We now believe that in addition to the investments we've made, particularly in our Business Advisory segment into the transformation that we did in our healthcare segment, we now believe that in terms of driving the future shareholder value that we are going to be doing that through sustainable organic growth that's our fundamental objective that we're looking at right now and we strongly believe that we're well positioned to be able to do that.

John – in a few minutes John Kelly is going to be talking about our desire to get the margin expansion and how we're going to be deploying capital. I will say that that one of the key components is our continued investment in people. We believe that we will have a strong opportunity to grow organically. It's not to say that there won't be some M&A, but that's not going to be the focus, the main focus of our future growth, it will be on our people. We believe we have a tremendous culture within Huron, which has been a very big differentiator. We've got a far lower turnover than many of our competitors and we believe if we get that continuity of people and are continually able to attract and retain the best people that will also be a major contributor to our future organic growth. So those are how we're looking at our ability to drive shareholder value.

I am going to have John Kelly step in now and talk very briefly about some of our financials and then we'll open it up for questions.

<<John Kelly, Executive Vice President, Chief Financial Officer and Treasurer>>

I'm going to fast forward through a few slides that are available on our website. And during the financial overview, I'm going to view then a little bit of just historical context about the numbers that you're looking at, as well as how we expect things to move forward.

So starting with revenue as you can see our revenue growth rate moderated between 2015 and 2017. And this doesn't really tell the entire story because included in revenues from 2015 through 2017 were the impact of our acquisitions during that period. Absent the impact of those acquisitions, we actually went through a period of organic revenue decline. That decline was primarily driven by our Healthcare segment and more specifically the performance improvement business within that segment.

If you're familiar with our story, you know that the decline was largely driven by the change in buying patterns of our clients, from large integrated performance improvement jobs that often had contingency fee upside, to smaller solution specific jobs without contingent fees. We believe that we reached a point of stabilization in this business. And we also believe that selling smaller projects with the potential for follow-on work to a wider array of clients, with a broader set of offerings is going to be a let's set the stage for sustainable revenue growth for us.

Looking at our two 2018 guidance, the only in organic revenue contribution is $6 million of incremental revenue from our Q1 2017 Innosight acquisition. So the midpoint of our guidance range reflects flat organic growth in 2018. And if we were to hit the upper end of our revenue guidance, this would represent low single-digit organic growth. This represents a significant, positive shift for more than over the past few years and one that we're very encouraged by.

If you break down our guided revenue growth by segment, starting with Healthcare the midpoint of guidance will represent mid single-digit organic revenue decline. But most of this decline comes from a tough comparison from Q1 of 2017, when we had the final impact of a historically large job that really had run down for the most part of 2016. We expect Healthcare revenue in the second and third quarters to be up year-over-year, compared to 2017. And while too early to call Q4, we feel good about the market and we feel good about the trends that we see in our pipeline.

Our Business Advisory segment continues to grow and we expect mid single-digit growth for this segment during 2018.

Our education business has been a stronger grower over the past three years achieving lower double-digit growth really since 2014. We expect this business, or we've guided this business to be upper single digit grower during 2018.

So we're excited about the opportunities for growth in all of our businesses. The healthcare and higher education markets are in a period of disruption. And we believe that our offerings in these verticals, as Jim mentioned, leave us well positioned for growth. The capabilities of technology, strategy and advisory in our BA segment are very responsive to the needs of our clients not only in other commercial sectors, but again as Jim said also within the healthcare and higher education verticals.

So, looking at our adjusted EBITDA metrics. The challenges in our EBITDA margin percentage over the past three years have married the organic growth challenges that I’ve described. And primarily relate to that transition that we experienced in our Healthcare business. As revenue from the Healthcare segment, our highest margin business went through a period of organic revenue decline, while revenue from our relatively lower margin businesses, particularly our technology solutions grew significantly, this mix change resulted in compressed margins.

Likewise, within Healthcare our revenue mix shifted from large, integrated performance improvement projects again often with that contingency fee upside to smaller solution specific projects. And during that period our margins within this business transitioned from more in the upper 30% range to the lower 30% range.

Within the Healthcare business, we believe that we reached a point of margin stability in the low 30% range, as this range reflects our current mix of smaller projects size and the increase prominence of our healthcare IT services business. We believe that our higher education and business advisory segments should maintain steady margins in the mid and lower 20% ranges respectively. And as Healthcare returns to growth, we expect our mix between segments to remain relatively stable moving forward.

At a consolidated level, as we return organic growth, we expect to be able to leverage our corporate SG&A expense and expand our margin percentage over time. Coupling this SG&A leverage with continued management of our billable headcount, utilization and bill rates by focusing in the areas where we're most differentiated, we believe that we'll be able to expand EBITDA margins over time and return to a mid teen level over the medium term.

Looking at earnings. The story over the past several years is really consistent with my comments on adjusted EBITDA. Our adjusted EPS guidance range in 2018 is relatively consistent with 2017 results. But that reflects the lower EBITDA, as I described, offset by the favor on impact of tax reform at the end of last year. We now anticipate our effective tax rate to be in the 30% to 32% range under the new rules, versus what we had been more like a 40% range under normal circumstances, under the old rules.

I'll close out by talking about the balance sheet and cash flows. First quarter of each year is typically our peak leverage point due to the payout of our annual bonuses. Our leverage ratio is defined by our bank agreement which adds back stock compensation was approximately 3.8 times at the end of the first quarter.

Our free cash flow guidance for the year is $80 million to $90 million. Our expectation is to deploy our free cash flow to reduce our debt. And we expect to be below three times levered by the end of the year. After our annual incentive payouts in Q1 of next year, our expectation will be to continue to low our leverage ratio to the mid to low twos and at that point we expect balanced capital deployment approach that consists of continued debt reduction, share buybacks and some limited strategic M&A to the extent it supports our growth strategy.

As Jim mentioned, our focus right now is on organic revenue growth. And we expect the pace of M&A activity slowdown over the next few years relative to the past three years.

And that's my overview. Tim.

<<Jim Roth, Chief Executive Officer and President>>

Okay. Will wrap it up there. As I said, we're going to do questions in here. So if people want to move it, maybe will gather over there for the Q&A. But we'll wrap up the presentation there. So, thank you very much.