

HURON

Huron Announces Intent to Divest Life Sciences Business to Oliver Wyman

October 5, 2021

Transaction strengthens Huron's strategic focus on driving sustainable organic revenue growth and margin expansion

CHICAGO--(BUSINESS WIRE)--Oct. 5, 2021-- Global professional services firm Huron (NASDAQ: HURN) today announced it has entered into a definitive agreement to divest its life sciences commercial and R&D strategy, pricing and market access strategy business (the "Life Sciences Business") to Oliver Wyman. Oliver Wyman is a global management consulting firm and a business of Marsh McLennan (NYSE: MMC).

"Combining Oliver Wyman's global focus and capabilities with Huron's deep industry expertise will provide the scale needed to support the increasingly complex commercialization and access-related issues facing life sciences organizations," said James H. Roth, chief executive officer of Huron.

After the close of the transaction, Huron will concentrate its resources and investments in strengthening its industry expertise and capabilities in healthcare, education and the other businesses in its Business Advisory segment. In addition, it will continue to strengthen its advanced technology offerings across all operating segments.

"As Huron looks to the future, we remain focused on developing our incredibly talented team and are committed to serving clients in the life sciences industry through our Innosight, technology and organizational transformation capabilities," added Roth. "The sale of our Life Sciences Business will allow Huron to focus on what we believe are significant growth opportunities in our core businesses."

Transaction Overview

On a preliminary basis, Huron anticipates that the Life Sciences Business, which is part of its Business Advisory segment, will have generated approximately 2% of total Huron revenues for the nine-month period ended September 30, 2021. Adjusted EBITDA for the Life Sciences Business, including certain corporate expenses directly related to the Life Sciences Business, is expected to be immaterial for the nine months ended September 30, 2021. These preliminary estimates are subject to change based on the Company's third quarter accounting close process, which is ongoing. A final nine-month revenue total for the Life Sciences Business will be provided on the Company's third quarter 2021 earnings call.

The transaction is expected to close in November 2021 and is subject to customary closing conditions. The Company currently intends to use the net proceeds from the transaction primarily to reduce borrowings, purchase shares under its current repurchase authorization, and execute strategic, tuck-in acquisitions.

Clearsight Advisors acted as financial advisor and Skadden, Arps, Slate, Meagher & Flom, LLP served as legal advisor to the Company.

Outlook for 2021

The sale of the Life Sciences Business is not expected to have a significant impact on the Company's previously issued full year 2021 guidance in terms of revenue, Adjusted EBITDA margin % or Adjusted EPS. Management will provide a more detailed discussion of the transaction and its 2021 outlook during the Company's upcoming third quarter 2021 earnings call.

"Looking beyond 2021, full year 2022 revenues will reflect the impact of the sale of the Life Sciences Business. However, we do not expect any significant impact related to the sale on our Adjusted EBITDA margin % or Adjusted EPS after consideration of corporate savings related to the transaction as well as the anticipated use of the transaction proceeds," said John D. Kelly, chief financial officer of Huron.

Third Quarter 2021 Earnings Call and Webcast

The Company will host a conference call to discuss the Company's third quarter 2021 financial results on Tuesday, November 2, 2021, at 5:00 p.m. Eastern Time (4:00 p.m. Central Time). The conference call is being webcast by NASDAQ and can be accessed on Huron's website at <http://ir.huronconsultinggroup.com>. A replay of the webcast will be available approximately two hours after the conclusion of the webcast and for 90 days thereafter.

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 from continuing operations, and adjusted diluted earnings per share from continuing operations, 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 non-GAAP 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 consultancy that collaborates with clients to drive strategic growth, ignite innovation and navigate constant change. Through a combination of strategy, expertise and creativity, we help clients accelerate operational, digital and cultural transformation, enabling the change they need 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," "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: the impact of the COVID-19 pandemic on the economy, our clients and client demand for our services, and our ability to sell and provide services, including the measures taken by governmental authorities and businesses in response to the pandemic, which may cause or contribute to other risks and uncertainties that we face; failure to achieve expected utilization rates, billing rates and the 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, 2020, 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.

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Source: Huron