

# INVESTOR PRESENTATION

Sidoti & Company Fall 2020 Investor Conference

September 23, 2020



# 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," "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, 2019, and under "Item 1A. Risk Factors" in our Quarterly Report on Form 10-Q for the quarter ended June 30, 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.*

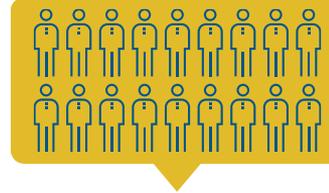
# Trusted Advisor For Transformative Strategic Decisions And Execution



We are a global consultancy that helps our clients drive growth, enhance performance and sustain leadership in the markets they serve. We partner with them to develop strategies and implement solutions that enable the transformative change our clients need to own their future.

**FORMED IN**  
**2002**

With approximately 200 professionals



More than 3,800 professionals with leading expertise



2019 revenue of \$877 million



Headquartered in Chicago with domestic and international offices



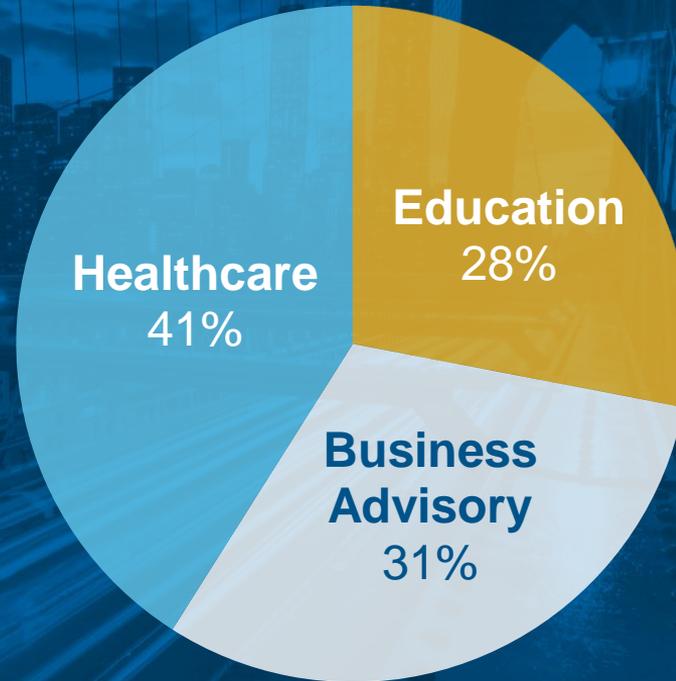
Publicly traded on the NASDAQ since October 2004

**IN**  
**2019**

Huron served more than 1,800 businesses and institutions, including 350 new clients

**Focused  
on serving  
industries  
facing  
significant  
disruption  
and/or  
regulatory  
change**

## Operating Segment Mix



Segment percentages are based on year-to-date June 2020 revenue results.

# Strategic Priorities To Drive Shareholder Value



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ACHIEVE SUSTAINABLE  
ORGANIC GROWTH



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DRIVE MARGIN  
EXPANSION



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DEPLOY CAPITAL  
STRATEGICALLY



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INVEST IN OUR  
PEOPLE

# Execution of our organic growth strategy and disruption taking place in our core markets has positioned Huron for sustainable growth

## Demonstrated Momentum

FY 2019 over FY 2018 Growth

### Companywide Growth

**10%**

Revenue Growth

**60 bps**

Adjusted EBITDA Margin Growth

**32%**

Adjusted EPS Growth

### Segment Growth



Healthcare

**9%**

Revenue Growth



Education

**16%**

Revenue Growth



Business Advisory

**7%**

Revenue Growth

# After the near-term impact of COVID-19 subsides, significant disruption facing our clients and end markets creates opportunities for long term growth



## Healthcare

Financial pressures on U.S. healthcare providers have been exacerbated by the COVID-19 pandemic and the need for new strategies and care delivery models are viewed as an imperative



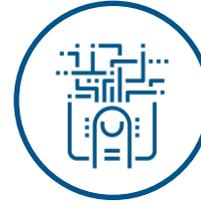
## Education

The changes required for higher education institutions to compete in the “new normal” environment are acute, driving the need for greater operational efficiency and fresh strategic thinking



## Strategy

The disruption and volatility taking place in the market have never been more prevalent, creating conditions that are ripe for renewed strategic planning and increased innovation



## Technology

The digital transformation imperative has never been more important as organizations modernize their operations and meet the new and evolving needs of their consumers



## Operations

The mounting pressures on the broader economy will create opportunity as stressed and distressed businesses strive to stabilize their operations and improve their financial position

## Financial Expectations

### Revenue

After emerging from the near-term financial impact of the COVID-19 pandemic, we believe we will face market conditions that will support the revenue growth rate we expected for our business prior to the pandemic.

### Margins

We believe we will emerge from the near-term financial impact of the COVID-19 pandemic positioned to continue steady adjusted EBITDA margin expansion toward our long-term mid-teen target.

### Balance Sheet

We began 2020 with a strong financial position, and we have continued have free strong cash flow since the onset of the COVID-19 pandemic. With the flexibility afforded by our revolving credit agreement, we believe we are well positioned to financially support our business as we return to growth.

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APPENDIX

# Revenue trend

Revenues from Continuing Operations *(in millions)*



# Adjusted EBITDA trend

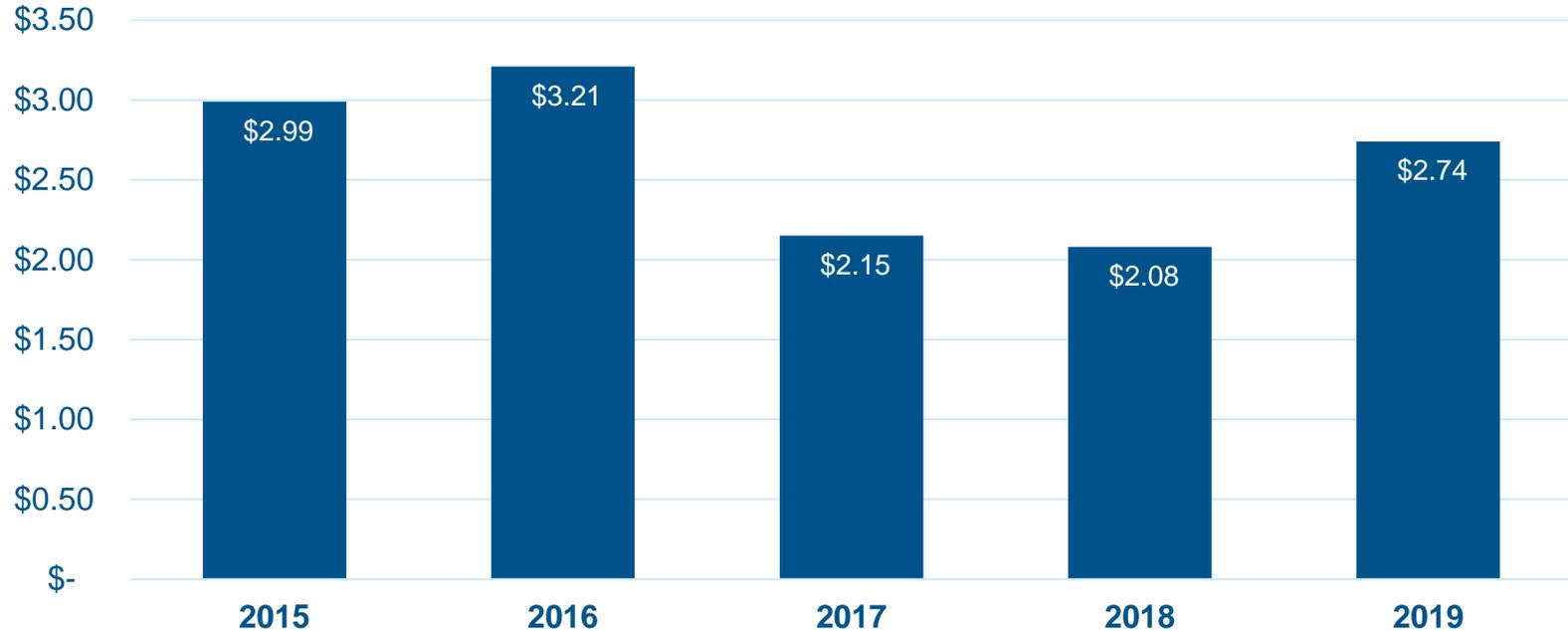
## Adjusted EBITDA (*in millions*) and Adjusted EBITDA Margins from Continuing Operations



+ See accompanying appendix for a reconciliation of Adjusted EBITDA and Adjusted EBITDA Margin, which are non-GAAP measures, to the most comparable GAAP measures.

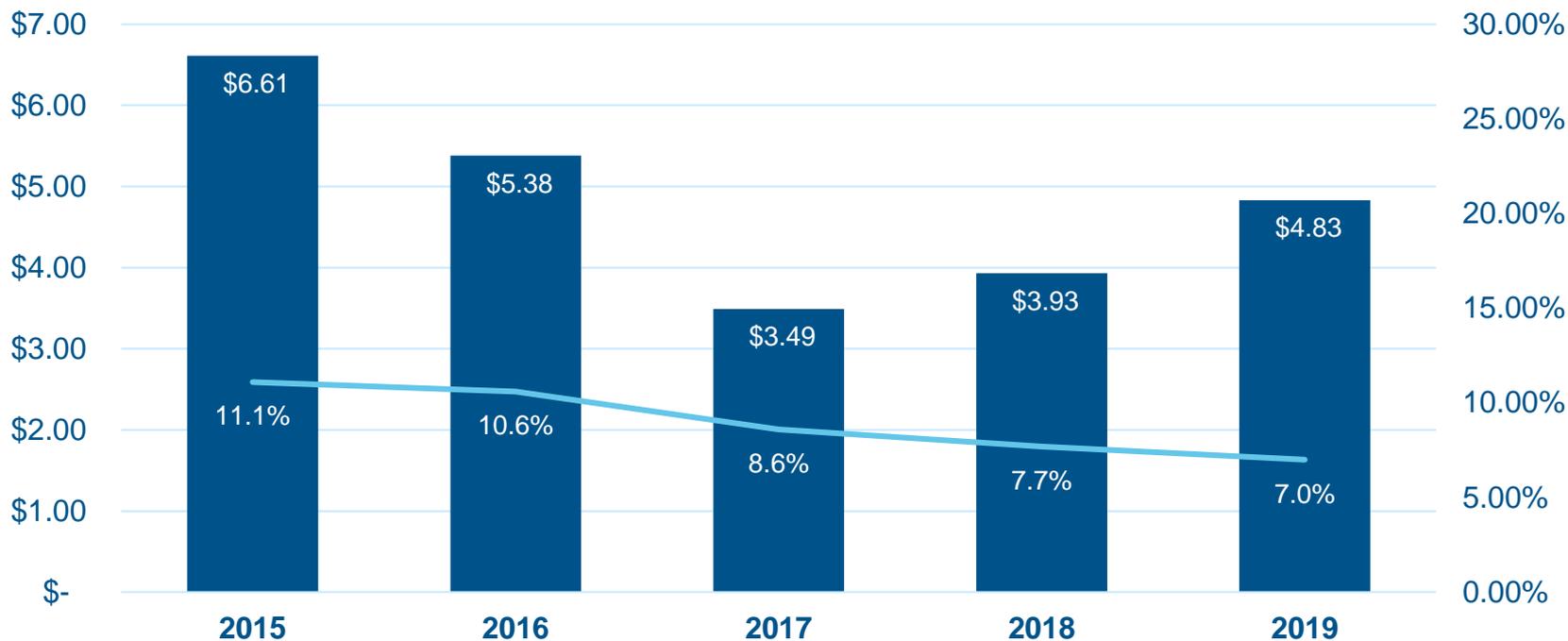
# Adjusted EPS trend

## Adjusted Diluted Earnings per Share from Continuing Operations



+ See accompanying appendix for a reconciliation of Adjusted Diluted Earnings per Share, which is a non-GAAP measure, to the most comparable GAAP measure.

# Free Cash Flow Per Share & Free Cash Flow Yield



Free cash flow is defined as cash from operations minus capital expenditures. Free cash flow yield is defined as free cash flow per diluted share divided by end of period stock price. See accompanying appendix for a reconciliation of free cash flow, which is a non-GAAP measure, to the most comparable GAAP measure.



# RECONCILIATIONS OF NON- GAAP MEASURES TO COMPARABLE GAAP MEASURES

# Reconciliations Of Non-GAAP Measures To Comparable GAAP 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, adjusted diluted earnings per share from continuing operations and free cash flow, 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.

# 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)*

	2015	2016	2017	2018	2019
<b>Revenues</b>	\$ 699	\$ 726	\$ 733	\$ 795	\$ 877
<b>Net income (loss) from continuing operations</b>	\$ 62	\$ 40	\$ (170)	\$ 14	\$ 42
<b>Add back:</b>					
Income tax expense (benefit)	22	20	(52)	11	11
Interest expense, net of interest income	18	16	19	19	16
Depreciation and amortization	42	46	49	39	34
<b>EBITDA</b>	144	122	(154)	83	102
<b>Add back:</b>					
Restructuring charges	3	10	6	4	2
Litigation and other (gains) / losses, net	(9)	(2)	1	(2)	(1)
Goodwill impairment charges	-	-	253	-	-
Other nonoperating expense (income), net	-	-	(1)	6	-
Transaction-related expenses	-	-	-	-	3
Foreign currency transaction losses (gains), net	1	-	(0)	0	0
<b>Adjusted EBITDA</b>	\$ 139	\$ 130	\$ 105	\$ 91	\$ 105
<b>Adjusted EBITDA %</b>	19.9%	17.9%	14.3%	11.4%	12.0%

# 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)

	2015	2016	2017	2018	2019
<b>Net income (loss) from continuing operations</b>	\$ 62	\$ 40	\$ (171)	\$ 14	\$ 42
<b>Weighted average shares – diluted</b>	23	21	21	22	23
<b>Diluted earnings (loss) per share (EPS) from continuing operations</b>	\$ 2.74	\$ 1.84	\$ (7.95)	\$ 0.63	\$ 1.87
<b>Add back:</b>					
Restructuring charges	3	10	6	4	2
Litigation and other (gains) / losses, net	(9)	(2)	1	(2)	(1)
Transaction-related expense	-	-	-	-	3
Amortization of intangible assets	28	33	35	24	18
Goodwill impairment charges	-	-	253	-	-
Non-cash interest on convertible notes	7	7	8	8	6
Loss (gain) on sale of businesses	-	-	(1)	6	-
Other nonoperating expense (income), net	-	-	(0)	-	0
Tax effect <sup>(1)</sup>	(12)	(19)	(83)	(8)	(8)
<b>Total adjustments, net of tax</b>	1	29	220	32	20
Net tax benefit related to "check-the-box" election	(12)	-	(3)	-	(1)
<b>Adjusted net income from continuing operations</b>	\$ 67	\$ 69	\$ 47	\$ 46	\$ 62
<b>Weighted average shares - diluted</b>	23	21	22	22	23
<b>Adjusted diluted EPS from continuing operations</b>	\$ 2.99	\$ 3.21	\$ 2.15	\$ 2.08	\$ 2.74

(1) In 2017 and 2018, tax effect includes \$9 million and \$2 million, respectively, of tax expense related to the enactment of the Tax Cuts and Jobs Act of 2017.

# Reconciliations of non-GAAP measures

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

	2015	2016	2017	2018	2019
<b>Cash from operating activities</b>	\$ 168	\$ 129	\$ 100	\$ 102	\$ 132
<b>Less: Capital expenditures</b>	(19)	(14)	(25)	(15)	(23)
<b>Free cash flow</b>	\$ 149	\$ 115	\$ 75	\$ 87	\$ 109
<b>Weighted average shares - diluted</b>	23	21	22	22	23
<b>Free cash flow per share</b>	\$ 6.61	\$ 5.38	\$ 3.49	\$ 3.93	\$ 4.83
<b>End of period stock price</b>	\$ 59.40	\$ 50.65	\$ 40.45	\$ 51.31	\$ 68.72
<b>Free cash flow yield</b>	11.1%	10.6%	8.6%	7.7%	7.0%