

# INVESTOR PRESENTATION

Q1 2021

May 4, 2021



# Forward-looking Statements

*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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# COMPANY OVERVIEW

# 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 industry, functional and technical expertise



2020 revenue of \$844 million



Headquartered in Chicago with domestic and international offices



Publicly traded on the NASDAQ since October 2004

IN  
**2020**

Huron served more than 1,700 clients

# Global Client Base And Footprint

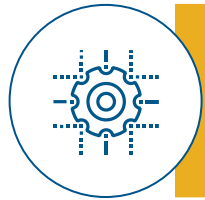


## Clients Served

-  **100 of the top 100** research universities
-  **65 of the top 100** Great Hospitals in America<sup>(1)</sup>
-  **45+** of the Fortune 100

(1) Based on Becker's Hospital Review ranking.

# Partner With Clients To Strengthen Their Business Today And Create Future Growth For Tomorrow



Improve  
Fundamental  
Performance

How do I drive efficiency and improve my financial position to make the strategic investments I need to?



Reinvent  
Core Business

How do I spot, seize and scale opportunities to create new growth businesses?



Generate  
New Growth  
Platforms

How do I ensure my organization continues to achieve its growth goals in an ambiguous and changing environment?

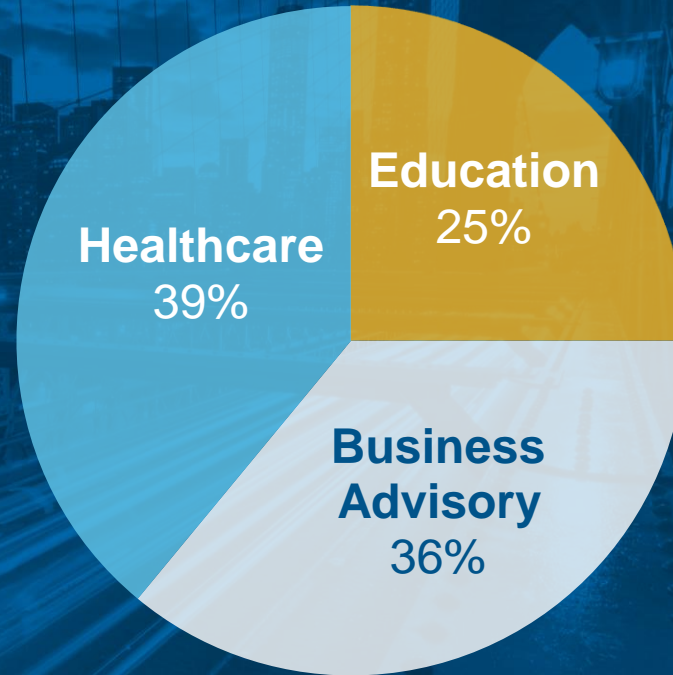


Enable  
Transformational  
Change

How do I unlock opportunities and align my organization to achieve transformative growth and enduring relevance?

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

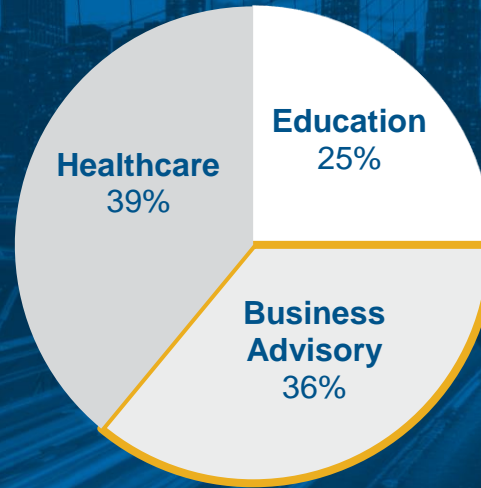
## Operating Segment Mix



Segment percentages are based on year-to-date March 2021 revenue results.

...with a unified platform that drives strategic advantage through collaboration.

## Operating Segment Mix



**23%**

of Q1 2021 Business Advisory segment revenue was generated in the healthcare and education industries

Segment percentages are based on year-to-date March 2021 revenue results.



# Strategic focus on technology-enabled advisory services has fueled growth within our business



Over **30%** of total  
company revenues was derived  
from technology services in 2020

Annual companywide revenue  
from technology services grew at  
a CAGR of nearly

**20%**

since 2015



# 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

# Huron's 2022 Strategic Framework



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# SERVICES OVERVIEW

# Healthcare Segment Overview

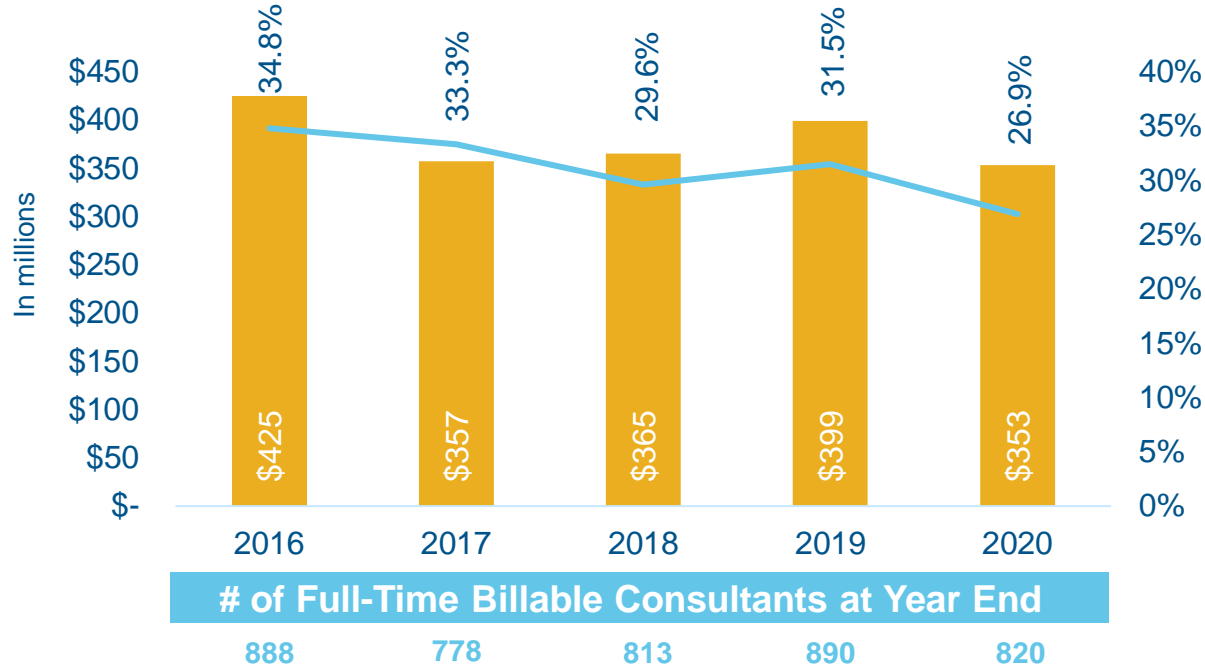
Health systems, hospitals and medical clinics are under immense pressure to improve clinical outcomes and reduce the cost of providing patient care. Investing in new partnerships, clinical services and technology is not enough to create meaningful and substantive change. To succeed long term, healthcare organizations must empower leaders, clinicians, employees, affiliates and communities to build cultures that foster innovation to achieve the best outcomes for patients. We support organizations through optimizing revenue cycle reimbursements, implementing cost reduction solutions and process improvements, developing digital strategies, and through delivering technology integration and interoperability. By building innovation capabilities and accelerating key growth initiatives, we help enable organizations to own the future, instead of being disrupted by it.

## AT A GLANCE

- Served more than 450 health systems, hospitals and physician organizations, including 65 of the top 100 Great Hospitals in America (Source: Becker's Hospital Review)
- Over 1,000 specialists and experienced consultants dedicated to the healthcare industry including a leadership team that averages more than 25 years of healthcare and consulting experience
- Fully integrated implementation approach resulting in 3% to 6% revenue benefit and 5% to 10% operating expense benefit annually

# Healthcare

## Revenue & Operating Margin %



## Clients We Serve

- Integrated Health Systems
- Academic Medical Centers
- Children's Hospitals
- Community Hospitals
- Public Hospitals
- Government Health Systems
- Physician Groups

# Market Trends



## SUSTAINING MARGINS WHILE TRANSFORMING

92% of C-Suite respondents say growing margins, investing in the future and restoring dollars back into the community is a top focus for 2020. (source: Health Management Academy)



## TECHNOLOGY INVESTMENT

Trends indicate healthcare organizations are investing in ways to activate valuable data from their technology investments.



## CONSUMERISM

79% of consumers want a single point of contact for their health information needs.



## TALENT & CULTURE

79% of respondents name talent acquisition and retention as one of their top business needs.



## HIGH RELIABILITY AND SAFETY

75% of healthcare leaders agree industry collaboration is vital to their organizations' longevity.

# Healthcare Expertise



## Care Transformation

- Improved transitions of care
- Improved quality outcomes
- Increased patient satisfaction
- Increased clinical efficiency



## Financial and Operational Excellence

- Increased cash flow
- Leveraged resources more effectively
- Increased revenue by 3% to 6% annually
- Decreased operating expenses by 5% to 10% annually



## Technology and Analytics

- Activated technology to create a competitive advantage
- Maximized return on current investment



## Leadership Excellence

- Developed accountable leaders
- Improved employee satisfaction and engagement



# Business Advisory Segment Overview

Across industries worldwide, increasingly complex challenges are making it difficult for businesses to grow revenues and increase value. Success depends on the relationships companies have with their customers and their ability to make insightful decisions that deliver value. Our experience across a range of commercial sectors enables us to truly understand the complexities of the competitive landscape, stakeholder needs and statutory regulations. We work in partnership with our clients and their stakeholders to evaluate and implement solutions that address the challenges they face and help move their businesses forward.

## AT A GLANCE

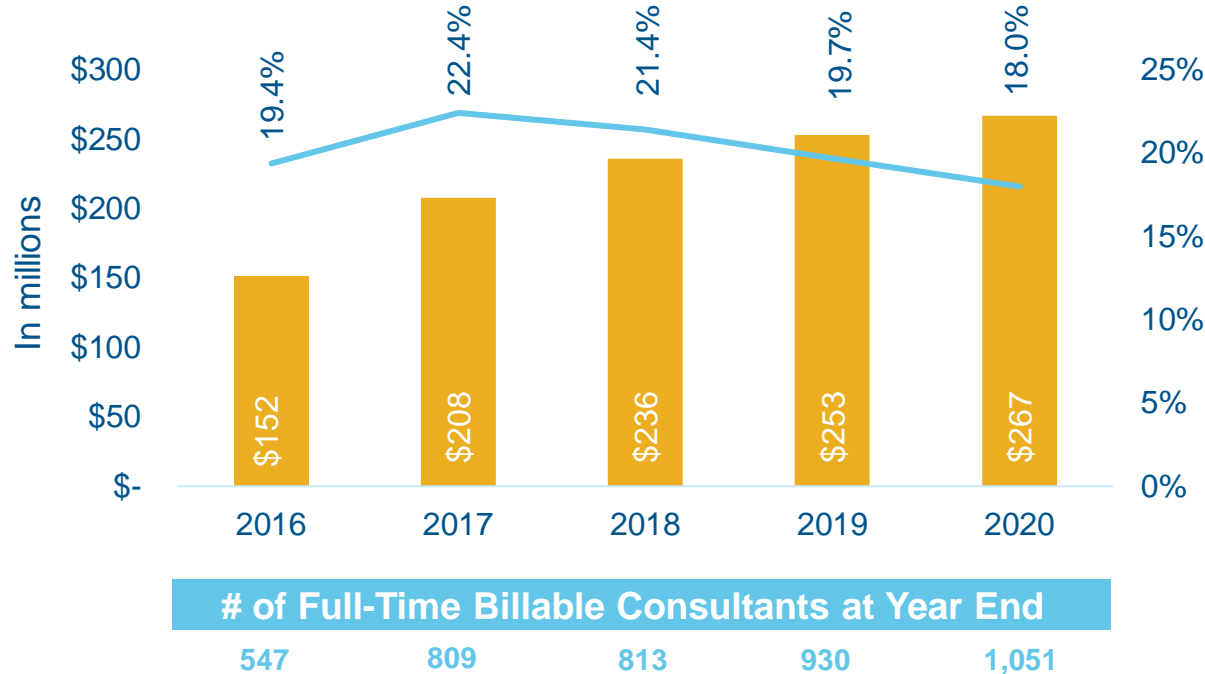
- 2020 Restructuring Award Winner, *The M&A Advisor*
- 2019 Small Company Transaction of the Year Award Winner, *Turnaround Management Association*
- 2018 Best Innovation Strategy Consulting, *ALM Intelligence*
- Amazon Web Services Standard Consulting Partner
- Oracle Platinum and Cloud Premier Partner
- Salesforce Gold Partner
- Workday Services Partner

# Business Advisory

## Industries We Serve

Healthcare, Education, Financial Services, Life Sciences, Energy and Utilities, Industrials and Manufacturing, Public Sector and Other Commercial Industries

## Revenue & Operating Margin %



## Clients We Serve

Fortune 500 and Middle Market Corporations  
Pharmaceutical, Biotech & Medical Device Companies  
Hospitals & Health Systems  
Colleges & Universities  
Law Firms  
Commercial and Investment Banks  
Lenders & Private Equity Firms

# Market Trends



## SHRINKING CORPORATE LIFESPANS

The 33-year average tenure of companies on the S&P 500 in 1964 narrowed to 24 years by 2016 and is forecast to shrink to just 12 years by 2027. (source: 2019 Corporate Longevity Briefing)



## TECHNOLOGY INVESTMENT

Global IT spending is projected to total \$3.9 trillion in 2020, with software being the fastest growing market, primarily driven by the adoption of software-as-a-service. (source: Gartner)



## CONSUMERISM

70% of the US economy is driven by consumer spending (source: The Bureau of Economic Analysis)



## SUSTAINABILITY

2020 will see renewed calls to tackle the use of plastic and its replacements with sustainable options as opposed to an overreliance on recycling. (source: Sustainability Trends)

# Enterprise Solutions & Analytics Expertise



## Advisory Services

- Developed custom solutions to create a competitive advantage
- Maximized return on current investment



## Customer Relationship Management (CRM)

- Increased revenues and productivity
- Increased consumer engagement and productivity
- Leveraged resources more effectively



## Enterprise Resource Planning (ERP)

- Streamlined processes
- Increased productivity
- Increased transparency



## Performance Management

- Increased cash flow
- Leveraged resources more effectively
- Increased revenues
- Decreased operating expenses



## Analytics and Reporting

- Maximized return on current investment
- Utilized proactive decision making
- Increased transparency



## Managed Services

- Improved service
- Leveraged resources more effectively

# Legacy Business Advisory **Expertise**



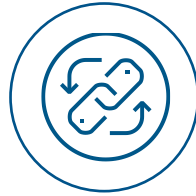
## Capital Advisory

- Strengthened competitive advantage through strategy-driven M&A
- Increased financial flexibility through financial transactions



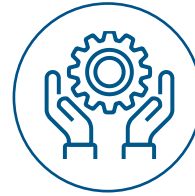
## Commercial Dispute Advisory

- Achieved most favorable outcomes
- Reduced complexity in case management



## Operational Improvement

- Increased cash flow
- Leveraged resources more effectively
- Increased revenues
- Decreased operating expenses



## Restructuring & Turnaround

- Increased cash flow
- Stabilized financial performance
- Improved operational efficiency



## Transaction Advisory Services

- Mitigated risk during M&A
- Increased financial and operational understanding of strategic assets



## Valuation

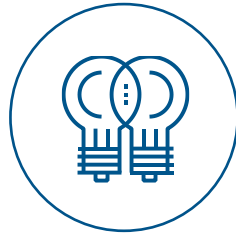
- Assessed asset valuation using third-party
- Improved financial reporting and tax planning

# Strategy & Innovation Expertise



## Create Growth Strategies

- Achieved growth ambitions in fast-moving and unpredictable environments



## Build Innovation Capabilities

- Developed the internal capabilities required to make innovation repeatable and sustainable



## Accelerate New Growth Initiatives

- Identified and scaled high-potential opportunities for growth

# Life Sciences Expertise



## Strategy and Innovation

- Created clear plan for the future to strategically position organizations, business units and R&D portfolios
- Optimized assets and core services



## Asset Commercialization Strategy

- Optimized clinical strategy
- Defined go-to-market strategy to position product launch for success
- Strengthened revenue forecasting



## Market Access and Pricing

- Defined product value proposition and messaging
- Defined evidence plan to demonstrate value to payers
- Improved payer engagement



## Provider Engagement

- Increased provider engagement to combat declining access and limited field resources

# Education Segment Overview

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Higher education institutions, academic medical centers and research organizations face mounting pressures from increased public scrutiny, evolving student demographics and declining enrollments and public funding. At the same time, these organizations are trying to improve outcomes and reduce costs in a dynamic, disruptive environment. To thrive long term, institutions must design the path forward with an intentional approach and innovative thinking, whereby stakeholders across the entire institution rally around a shared vision and embrace the hard work of effecting change. We help organizations tackle today's challenges while accelerating growth initiatives, enabling them to own their future, instead of being disrupted by it.

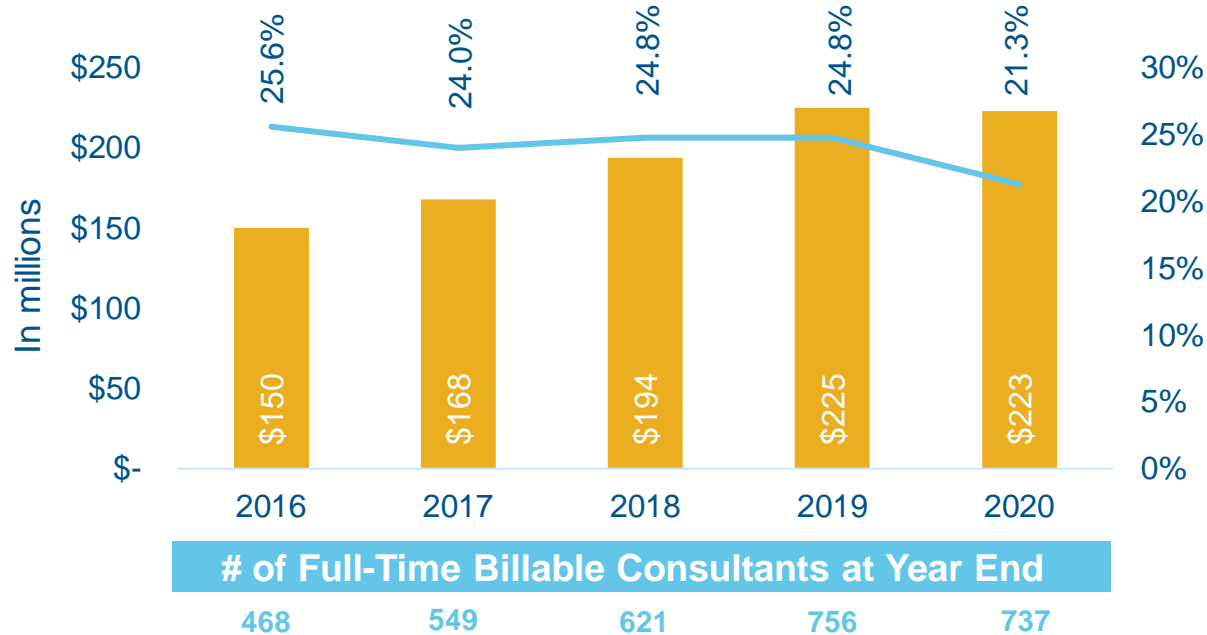
## AT A GLANCE

- Worked with more than 500 institutions, including all top 100 research universities
- Conducted over 7,000 successful engagements
- Experienced leadership team dedicated to the education industry that average 25 years of education and consulting experience



# Education

## Revenue & Operating Margin %



## Clients We Serve

- Colleges
- Universities
- Academic Medical Centers
- Children's Hospitals
- Cancer Centers
- Research Institutions

# Market Trends

49%

Only 49% of public university chief executives are confident in their institution's financial sustainability over the next decade (source: Inside Higher Ed, 2019)

\$0.53

Average additional amount medical schools invested for each dollar of sponsored research money received (source: Association of American Medical Colleges)



Cloud spend in higher education is forecasted to grow from \$509m in 2017 to nearly \$1.13b in 2021 (source: Ovum)



Compared to 25% of Millennials, only 18% of Gen Z is confident that they will have sufficient funds to pay for a degree (source: Harris Poll, 2018)



Tuition discount rates were at an all-time high (44.2% for all undergraduates), extending the gap between sticker prices and what most students actually pay (source: National Association of College and University Business Officers)

\$1.6T

Student debt is \$1.6 trillion and rising, driven by increasing education costs (source: Forbes, 2020)

# Education Expertise



## Strategy and Innovation

- Created roadmap for the future to strategically position the organization
- Optimized assets and core services



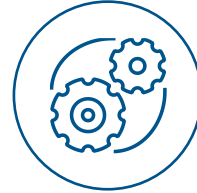
## Student Success

- Improved retention, progression and graduation rates
- Improved quality outcomes
- Increased student satisfaction



## Research Transformation

- Optimized funding and research portfolio
- Improved research outcomes
- Leveraged resources more effectively



## Financial and Operational Excellence

- Increased cash flow
- Leveraged resources more effectively
- Increased revenues
- Decreased operating expenses



## Technology and Analytics

- Activated technology to create a competitive advantage
- Maximized return on current investment



## Leadership Excellence

- Improved employee satisfaction and engagement

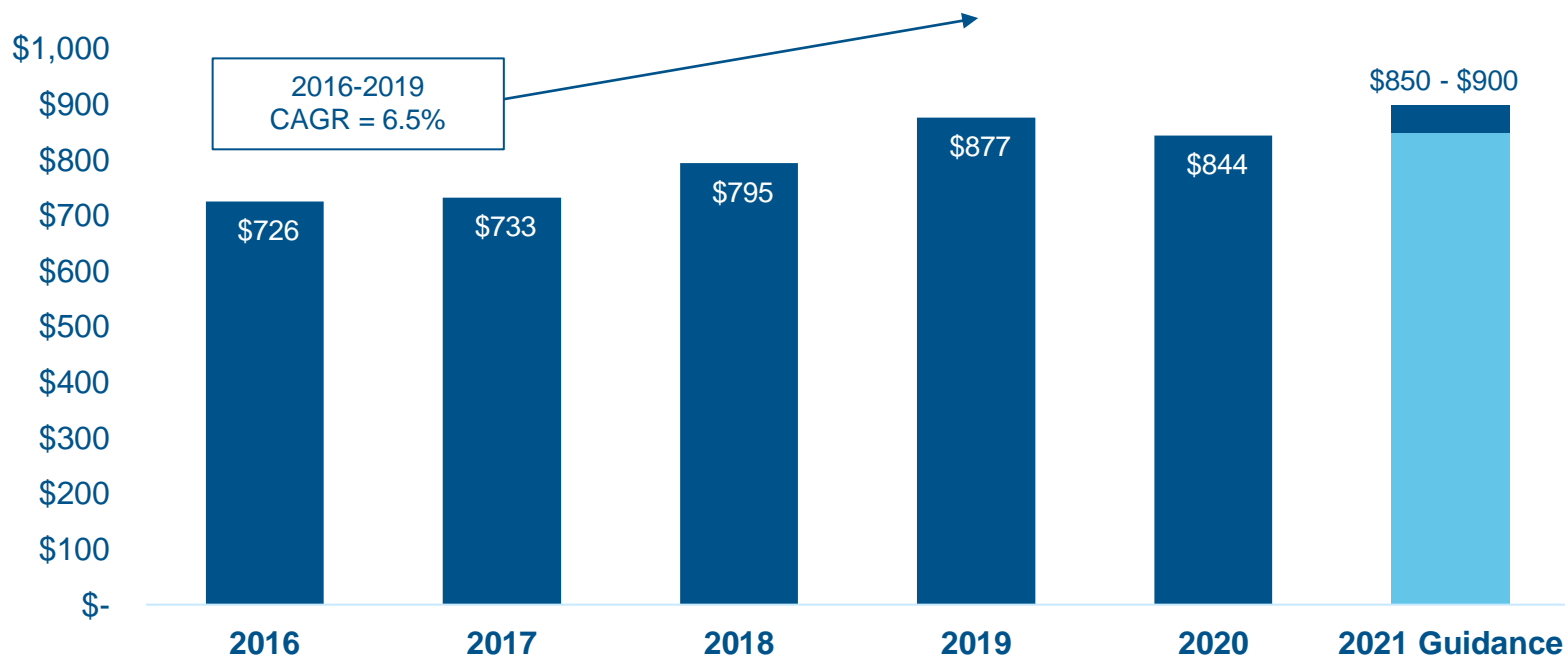
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# FINANCIAL OVERVIEW

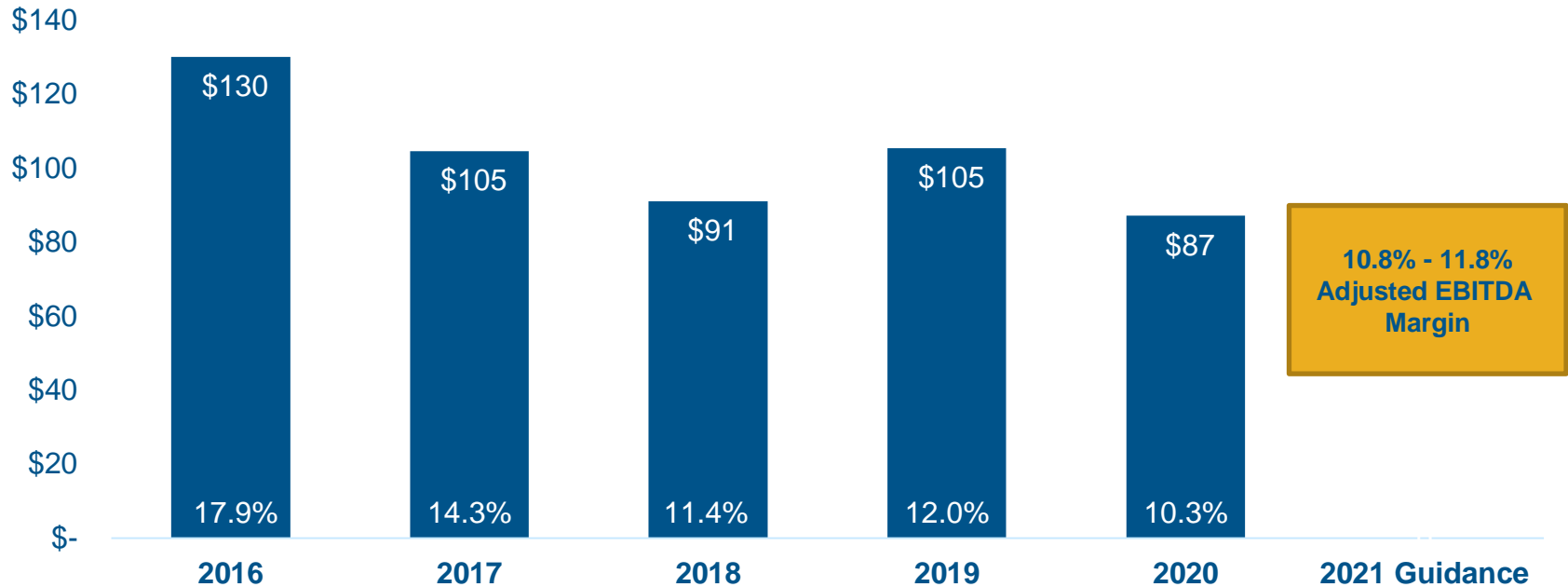
# Revenue trend

## Revenues from Continuing Operations *(in millions)*



# Adjusted EBITDA trend

## Adjusted EBITDA (in millions) and Adjusted EBITDA Margin from Continuing Operations

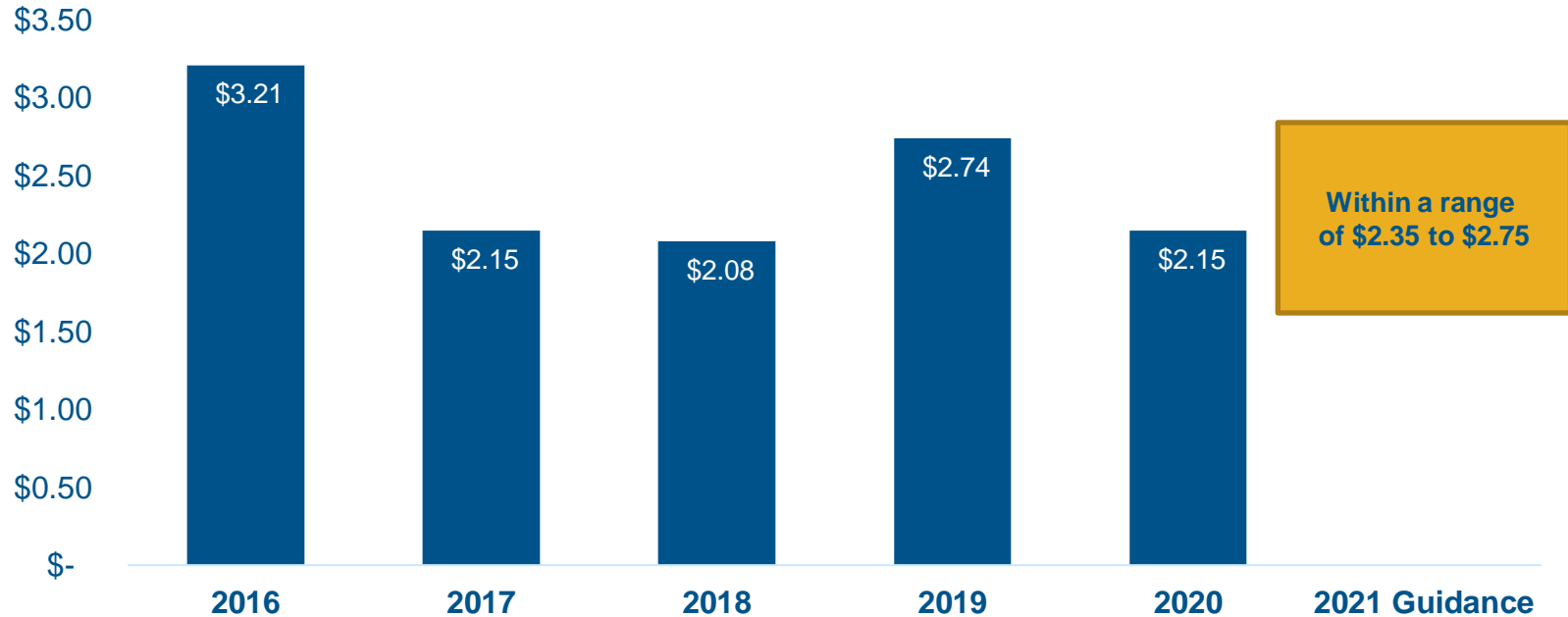


+ 2021 Guidance noted in this presentation is effective as of March 31, 2021. Nothing herein should be construed as reaffirming, disaffirming or updating such guidance.

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

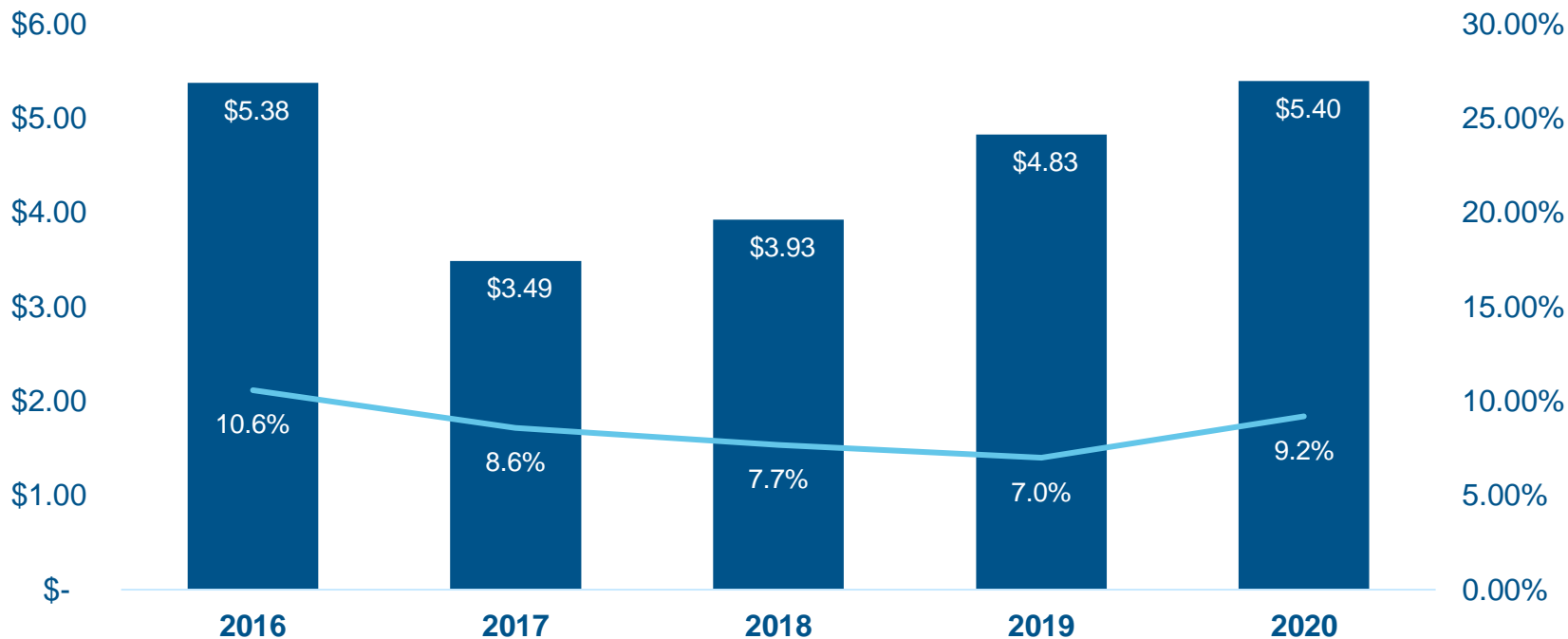
# Adjusted EPS trend

## Adjusted Diluted Earnings per Share from Continuing Operations



+ 2021 Guidance noted in this presentation is effective as of March 31, 2021. Nothing herein should be construed as reaffirming, disaffirming or updating such guidance.  
+ 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.



# Operating Metrics From Continuing Operations

	2016	2017	2018	2019	2020
Number of Full-Time Billable Consultants	1,903	2,136	2,247	2,576	2,608
Headcount Leverage <sup>(1)</sup>	14.7	15.3	15.5	17.4	15.6
Full-Time Billable Consultant Utilization Rate	74.6%	74.5%	77.5%	76.1%	70.7%
Average Full-Time Equivalents	261	268	280	305	360
Revenue Per Day (in thousands)	\$3,070	\$3,112	\$3,349	\$3,732	\$3,577

(1) Headcount leverage is the number of non-MD full-time billable consultants divided by the number of MDs at the end of each period.

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# APPENDIX

# 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, free cash flow, 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.

# 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)*

	2016	2017	2018	2019	2020
<b>Revenues</b>	\$ 726	\$ 733	\$ 795	\$ 877	\$ 844
<b>Net income (loss) from continuing operations</b>	\$ 40	\$ (170)	\$ 14	\$ 42	\$ (24)
<b>Add back:</b>					
Income tax expense (benefit)	20	(52)	11	10	(10)
Interest expense, net of interest income	16	19	19	15	9
Depreciation and amortization	46	49	39	34	30
<b>EBITDA</b>	122	(154)	83	101	5
<b>Add back:</b>					
Restructuring charges	10	6	4	2	21
Litigation and other (gains) / losses, net	(2)	1	(2)	(1)	-
Goodwill impairment charges	-	253	-	-	60
Other nonoperating expense (income), net	-	(1)	6	-	-
Transaction-related expenses	-	-	-	3	1
Foreign currency transaction losses (gains), net	-	-	-	-	-
<b>Adjusted EBITDA</b>	\$ 130	\$ 105	\$ 91	\$ 105	\$ 87
<b>Adjusted EBITDA %</b>	17.9%	14.3%	11.4%	12.0%	10.3%

# 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)*

	2016	2017	2018	2019	2020
<b>Net income (loss) from continuing operations</b>	\$ 40	\$ (170)	\$ 14	\$ 42	\$ (24)
<b>Weighted average shares – diluted</b>	21	21	22	23	22
<b>Diluted earnings (loss) per share (EPS) from continuing operations</b>	\$ 1.84	\$ (7.95)	\$ 0.63	\$ 1.87	\$ (1.08)
<b>Add back:</b>					
Restructuring charges	10	6	4	2	21
Litigation and other (gains) / losses, net	(2)	1	(2)	(1)	-
Transaction-related expense	-	-	-	3	1
Amortization of intangible assets	33	35	24	18	13
Goodwill impairment charges	-	253	-	-	60
Non-cash interest on convertible notes	7	8	8	6	-
Other nonoperating expense (income), net	-	(1)	6	-	-
Tax effect <sup>(1)</sup>	(19)	(82)	(8)	(7)	(23)
Net tax benefit related to "check-the-box" election	-	(3)	-	(1)	-
<b>Total adjustments, net of tax</b>	29	217	32	20	72
<b>Adjusted net income from continuing operations</b>	\$ 69	\$ 47	\$ 46	\$ 62	\$ 48
<b>Adjusted weighted average shares - diluted</b>	21	22	22	23	22
<b>Adjusted diluted EPS from continuing operations</b>	\$ 3.21	\$ 2.15	\$ 2.08	\$ 2.74	\$ 2.15

(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)*

	2016	2017	2018	2019	2020
<b>Cash from operating activities</b>	\$ 129	\$ 100	\$ 102	\$ 132	\$ 137
<b>Less: Capital expenditures</b>	(14)	(25)	(15)	(23)	(17)
<b>Free cash flow</b>	\$ 115	\$ 75	\$ 87	\$ 109	\$ 120
<b>Weighted average shares - diluted</b>	21	22	22	23	22
<b>Free cash flow per share</b>	\$ 5.38	\$ 3.49	\$ 3.93	\$ 4.83	\$ 5.40
<b>End of period stock price</b>	\$ 50.65	\$ 40.45	\$ 51.31	\$ 68.72	\$ 58.95
<b>Free cash flow yield</b>	10.6%	8.6%	7.7%	7.0%	9.2%



# LEADERSHIP

# Our Leadership



**Jim Roth**

Chief Executive Officer



**Mark Hussey**

President &  
Chief Operating Officer



**John Kelly**

Chief Financial Officer  
& Treasurer



**Ernie Torain**

General Counsel &  
Corporate Secretary