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

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2024
OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission file number: 000-50976

HURON CONSULTING GROUP INC.
(Exact name of registrant as specified in its charter)

Delaware	**01-0666114**
(State or other jurisdiction of incorporation or organization)	**(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)

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 (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer", "smaller reporting company", and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	☒	Accelerated Filer	☐	Non-accelerated Filer	☐	Smaller Reporting Company	☐	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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

As of July 23, 2024, 17,791,109 shares of the registrant's common stock, par value $0.01 per share, were outstanding.

HURON CONSULTING GROUP INC.

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PART I - FINANCIAL INFORMATION
ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS

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

	June 30, 2024	December 31, 2023
Assets		
Current assets:		
Cash and cash equivalents	$ 17,646	$ 12,149
Receivables from clients, net of allowances of $12,425 and $17,284, respectively	181,074	162,566
Unbilled services, net of allowances of $2,709 and $5,984, respectively	188,075	190,869
Income tax receivable	8,342	6,385
Prepaid expenses and other current assets	40,399	28,491
Total current assets	435,536	400,460
Property and equipment, net	23,357	23,728
Deferred income taxes, net	2,325	2,288
Long-term investments	64,918	75,414
Operating lease right-of-use assets	22,409	24,131
Other non-current assets	105,799	92,336
Intangible assets, net	24,118	18,074
Goodwill	647,451	625,711
Total assets	$ 1,325,913	$ 1,262,142
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	$ 9,740	$ 10,074
Accrued expenses and other current liabilities	26,495	33,087
Accrued payroll and related benefits	135,595	225,921
Current maturities of long-term debt	13,750	—
Current maturities of operating lease liabilities	11,588	11,032
Deferred revenues	28,583	22,461
Total current liabilities	225,751	302,575
Non-current liabilities:		
Deferred compensation and other liabilities	40,038	35,665
Long-term debt, net of current portion	496,550	324,000
Operating lease liabilities, net of current portion	35,618	38,850
Deferred income taxes, net	27,378	28,160
Total non-current liabilities	599,584	426,675
Commitments and contingencies		
Stockholders' equity		
Common stock; $0.01 par value; 500,000,000 shares authorized; 20,843,283 and 21,316,441 shares issued, respectively	208	212
Treasury stock, at cost, 3,059,851 and 2,852,296 shares, respectively	(159,537)	(142,136)
Additional paid-in capital	175,387	236,962
Retained earnings	470,515	415,027
Accumulated other comprehensive income	14,005	22,827
Total stockholders' equity	500,578	532,892
Total liabilities and stockholders' equity	$ 1,325,913	$ 1,262,142

The accompanying notes are an integral part of the consolidated financial statements.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Revenues and reimbursable expenses:				
Revenues	$ 371,654	$ 346,759	$ 727,615	$ 664,654
Reimbursable expenses	9,363	8,140	16,787	16,630
Total revenues and reimbursable expenses	381,017	354,899	744,402	681,284
Operating expenses:				
Direct costs (exclusive of depreciation and amortization included below)	248,605	235,198	501,908	463,581
Reimbursable expenses	9,427	8,121	17,011	16,745
Selling, general and administrative expenses	71,410	64,642	144,110	126,496
Other gains, net	(15,917)	(623)	(14,349)	(188)
Restructuring charges	2,056	1,699	4,393	3,983
Depreciation and amortization	6,033	6,143	12,005	12,517
Total operating expenses	321,614	315,180	665,078	623,134
Operating income	59,403	39,719	79,324	58,150
Other income (expense), net:				
Interest expense, net of interest income	(7,954)	(5,796)	(13,094)	(10,099)
Other income, net	646	1,062	3,425	2,781
Total other expense, net	(7,308)	(4,734)	(9,669)	(7,318)
Income before taxes	52,095	34,985	69,655	50,832
Income tax expense	14,613	10,273	14,167	12,701
Net income	$ 37,482	$ 24,712	$ 55,488	$ 38,131
Earnings per share:				
Net income per basic share	$ 2.10	$ 1.30	$ 3.08	$ 2.00
Net income per diluted share	$ 2.03	$ 1.27	$ 2.96	$ 1.95
Weighted average shares used in calculating earnings per share:				
Basic	17,887	18,939	18,042	19,029
Diluted	18,454	19,486	18,741	19,598
Comprehensive income (loss):				
Net income	$ 37,482	$ 24,712	$ 55,488	$ 38,131
Foreign currency translation adjustments, net of tax	(281)	327	(1,003)	379
Unrealized gain (loss) on investment, net of tax	(6,318)	553	(7,765)	4,426
Unrealized gain (loss) on cash flow hedging instruments, net of tax	(1,127)	2,463	(54)	134
Other comprehensive income (loss)	(7,726)	3,343	(8,822)	4,939
Comprehensive income	$ 29,756	$ 28,055	$ 46,666	$ 43,070

The accompanying notes are an integral part of the consolidated financial statements.

HURON CONSULTING GROUP INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(In thousands, except share amounts)
(Unaudited)

	Three Months Ended June 30,							
	Common Stock		Treasury Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income	Stockholders' Equity
	Shares	Amount	Shares	Amount				
Balance at March 31, 2024	21,204,110	$ 212	(3,116,541)	$ (159,605)	$ 200,235	$ 433,033	$ 21,731	$ 495,606
Comprehensive income (loss)						37,482	(7,726)	29,756
Issuance of common stock in connection with:								
Restricted stock awards, net of cancellations	5,516	—	3,295	221	(221)			—
Exercise of stock options	1,000	—			48			48
Share-based compensation					9,580			9,580
Shares redeemed for employee tax withholdings			(1,627)	(153)				(153)
Other capital contributions					113			113
Share repurchases	(376,493)	(4)			(34,368)			(34,372)
Balance at June 30, 2024	20,834,133	$ 208	(3,114,873)	$ (159,537)	$ 175,387	$ 470,515	$ 14,005	$ 500,578
Balance at March 31, 2023	21,910,425	$ 220	(2,970,118)	$ (141,353)	$ 284,420	$ 365,967	$ 19,715	$ 528,969
Comprehensive income						24,712	3,343	28,055
Issuance of common stock in connection with:								
Restricted stock awards, net of cancellations	8,683	—	3,386	145	(145)			—
Exercise of stock options	7,464	—			360			360
Share-based compensation					9,806			9,806
Shares redeemed for employee tax withholdings			(2,464)	(199)				(199)
Share repurchases	(193,648)	(2)			(15,371)			(15,373)
Balance at June 30, 2023	21,732,924	$ 218	(2,969,196)	$ (141,407)	$ 279,070	$ 390,679	$ 23,058	$ 551,618

	Six Months Ended June 30,							
	Common Stock		Treasury Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income	Stockholders' Equity
	Shares	Amount	Shares	Amount				
Balance at December 31, 2023	21,175,554	$ 212	(2,975,321)	$ (142,136)	$ 236,962	$ 415,027	$ 22,827	$ 532,892
Comprehensive income (loss)						55,488	(8,822)	46,666
Issuance of common stock in connection with:								
Restricted stock awards, net of cancellations	550,438	5	74,820	3,679	(3,684)			—
Exercise of stock options	22,419	—			1,215			1,215
Purchase of business	86,913	1			8,639			8,640
Share-based compensation					28,817			28,817
Shares redeemed for employee tax withholdings			(214,372)	(21,080)				(21,080)
Other capital contributions					113			113
Share repurchases	(1,001,191)	(10)			(96,675)			(96,685)
Balance at June 30, 2024	20,834,133	$ 208	(3,114,873)	$ (159,537)	$ 175,387	$ 470,515	$ 14,005	$ 500,578
Balance at December 31, 2022	22,231,593	$ 223	(2,953,147)	$ (137,556)	$ 318,706	$ 352,548	$ 18,119	$ 552,040
Comprehensive income						38,131	4,939	43,070
Issuance of common stock in connection with:								
Restricted stock awards, net of cancellations	306,264	3	121,835	5,877	(5,880)			—
Exercise of stock options	21,609	—			987			987
Share-based compensation					24,895			24,895
Shares redeemed for employee tax withholdings			(137,884)	(9,728)				(9,728)
Share repurchases	(826,542)	(8)			(59,638)			(59,646)
Balance at June 30, 2023	21,732,924	$ 218	(2,969,196)	$ (141,407)	$ 279,070	$ 390,679	$ 23,058	$ 551,618

The accompanying notes are an integral part of the consolidated financial statements.

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

	Six Months Ended June 30,	
	2024	**2023**
Cash flows from operating activities:		
Net income	$ 55,488	$ 38,131
Adjustments to reconcile net income to cash flows from operating activities:		
Depreciation and amortization	12,005	12,549
Non-cash lease expense	3,043	3,340
Lease-related impairment charges	2,293	2,086
Share-based compensation	25,284	23,151
Amortization of debt discount and issuance costs	508	382
Allowances for doubtful accounts	2,353	53
Deferred income taxes	1,942	1,755
(Gain) loss on sale of property and equipment	(101)	1
Change in fair value of contingent consideration liabilities	(416)	(233)
Changes in operating assets and liabilities, net of acquisitions and divestiture:		
(Increase) decrease in receivables from clients, net	(20,372)	(4,440)
(Increase) decrease in unbilled services, net	3,057	(32,567)
(Increase) decrease in current income tax receivable / payable, net	(2,606)	(6,141)
(Increase) decrease in other assets	(14,942)	(4,880)
Increase (decrease) in accounts payable and other liabilities	(6,978)	(5,594)
Increase (decrease) in accrued payroll and related benefits	(86,400)	(44,277)
Increase (decrease) in deferred revenues	2,339	2,804
Net cash used in operating activities	(23,503)	(13,880)
Cash flows from investing activities:		
Purchases of property and equipment	(3,665)	(3,725)
Investments in life insurance policies	(1,361)	(2,188)
Distributions from life insurance policies	—	2,956
Purchases of businesses	(20,769)	38
Capitalization of internally developed software costs	(14,138)	(12,998)
Proceeds from note receivable	154	154
Proceeds from sale of property and equipment	102	—
Net cash used in investing activities	(39,677)	(15,763)
Cash flows from financing activities:		
Proceeds from exercises of stock options	1,215	987
Shares redeemed for employee tax withholdings	(21,080)	(9,728)
Share repurchases	(97,264)	(60,368)
Proceeds from bank borrowings	618,500	230,000
Repayments of bank borrowings	(430,938)	(125,000)
Payments for debt issuance costs	(1,446)	(58)
Deferred payments on business acquisition	(261)	(1,500)
Net cash provided by financing activities	68,726	34,333
Effect of exchange rate changes on cash	(49)	59
Net increase in cash and cash equivalents	5,497	4,749
Cash and cash equivalents at beginning of the period	12,149	11,834
Cash and cash equivalents at end of the period	$ 17,646	$ 16,583
Supplemental disclosure of cash flow information:		
Non-cash investing and financing activities:		
Property and equipment expenditures and capitalized software included in current liabilities	$ 4,827	$ 4,437
Operating lease right-of-use assets obtained in exchange for operating lease liabilities	$ 3,214	$ 1,839
Common stock issued related to purchase of business	$ 8,640	$ —
Contingent consideration accrued related to purchases of businesses	$ 36	$ —
Excise tax on net share repurchases included in current and non-current liabilities	$ 449	$ 385

The accompanying notes are an integral part of the consolidated financial statements.

HURON CONSULTING GROUP INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Tabular amounts in thousands, except per share amounts)
(Unaudited)

1. Description of Business

Huron is a global professional services firm that partners with clients to develop growth strategies, optimize operations and accelerate digital transformation, including using an enterprise portfolio of technology, data and analytics solutions, to empower clients to own their future. By collaborating with clients, embracing diverse perspectives, encouraging new ideas and challenging the status quo, we create sustainable results for the organizations we serve.

We provide our services and products and manage our business under three operating segments: Healthcare, Education, and Commercial, which align our business by industry. The Commercial segment includes all industries outside of healthcare and education, including, but not limited to, financial services and energy and utilities. We also provide revenue reporting across two principal capabilities: i) Consulting and Managed Services and ii) Digital, which are methods by which we deliver our services and products.

See Note 14 “Segment Information” for more information on each of our segments and their solutions.

2. Basis of Presentation and Significant Accounting Policies

The accompanying unaudited consolidated financial statements reflect the financial position, results of operations, and cash flows as of and for the three and six months ended June 30, 2024 and 2023. These financial statements have been prepared in accordance with the rules and regulations of the U.S. Securities and Exchange Commission (“SEC”) for Quarterly Reports on Form 10-Q. Accordingly, these financial statements do not include all of the information and note disclosures required by accounting principles generally accepted in the United States of America (“GAAP”) for annual financial statements. In the opinion of management, these financial statements reflect all adjustments of a normal, recurring nature necessary for the fair statement of our financial position, results of operations, and cash flows for the interim periods presented in conformity with GAAP. These financial statements should be read in conjunction with our consolidated financial statements and notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2023 and our Quarterly Report on Form 10-Q for the period ended March 31, 2024. Our results for any interim period are not necessarily indicative of results for a full year or any other interim period.

In the second quarter of 2024, we revised the presentation of our consolidated statement of operations and other comprehensive income (loss) to separately present other gains, net previously presented within selling, general and administrative expenses. The change in presentation has no effect on our consolidated results, and our historical consolidated statements of operations and other comprehensive income (loss) were revised for consistent presentation.

3. New Accounting Pronouncements

Not Yet Adopted

On November 27, 2023, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*, which updates the segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses on an interim and annual basis. ASU 2023-07 will be effective for our annual reporting periods beginning with the current fiscal year ending December 31, 2024 and for interim reporting periods beginning in fiscal year 2025, with early adoption permitted, and is required to be applied retrospectively. We expect to adopt ASU 2023-07 for our annual reporting period ending December 31, 2024 on a retrospective basis. We expect the adoption will have no impact on our financial position or our results of operations, but will result in additional disclosures.

On December 14, 2023, the FASB issued ASU 2023-09, *Improvements to Income Tax Disclosures*, which updates annual income tax disclosures by requiring disclosure of specific categories in the rate reconciliation, as well as disclosure of income taxes paid disaggregated by jurisdiction. ASU 2023-09 will be effective for our annual reporting periods beginning with the fiscal year ending December 31, 2025, with early adoption permitted, and is required to be applied prospectively with the option of retrospective application. We expect the adoption will have no impact on our financial position or our results of operations, but will result in additional disclosures.

On March 6, 2024, the SEC adopted the final rule under SEC Release No. 33-11275, *The Enhancement and Standardization of Climate-Related Disclosures for Investors*, which will require registrants to disclose certain climate-related information in registration statements and annual reports. The disclosure requirements will be effective for our annual reporting periods beginning with the fiscal year ending December 31, 2025, subject to any delay which may result from the current administrative stay issued by the SEC. We expect the adoption will have no impact on our financial position or our results of operations, but we are currently evaluating the impact this guidance will have on our disclosures within our consolidated financial statements.

HURON CONSULTING GROUP INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Tabular amounts in thousands, except per share amounts)
(Unaudited)

4. Goodwill and Intangible Assets

Goodwill

The table below sets forth the changes in the carrying value of goodwill by reportable segment for the six months ended June 30, 2024.

	Healthcare	Education	Commercial	Total
Balance as of December 31, 2023:				
Goodwill	$ 644,983	$ 123,652	$ 312,968	$ 1,081,603
Accumulated impairment losses	(190,024)	(1,417)	(264,451)	(455,892)
Goodwill, net as of December 31, 2023	$ 454,959	$ 122,235	$ 48,517	$ 625,711
Goodwill recorded in connection with business acquisitions	—	21,677	76	21,753
Foreign currency translation	—	(13)	—	(13)
Goodwill, net as of June 30, 2024	$ 454,959	$ 143,899	$ 48,593	$ 647,451

2024 Acquisitions

On January 1, 2024, we completed the acquisition of the data analytics services team of Vlamis Software Solutions, Inc. (“Vlamis”). The results of operations of Vlamis are included within our consolidated financial statements as of the acquisition date and allocated among our Education and Commercial segments based on the engagements delivered by the business.

On March 1, 2024, we completed the acquisition of Grenzebach Glier and Associates, Inc. (“GG+A”), a philanthropic management consulting firm that helps education institutions and other nonprofit organizations build and accelerate the philanthropic programs that support their mission. The results of operations of GG+A are included within our consolidated financial statements and results of operations of our Education segment as of the acquisition date.

The acquisitions of Vlamis and GG+A are not significant to our consolidated financial statements individually or in the aggregate as of and for the three and six months ended June 30, 2024. These acquisitions were accounted for using the acquisition method of accounting. Contract assets and contract liabilities are recorded at their carrying value under Topic 606: Revenue from Contracts with Customers. We finalized the measurement of assets acquired, including goodwill, and liabilities assumed in the acquisitions of Vlamis and GG+A in the first and second quarters of 2024, respectively.

Intangible Assets

Intangible assets as of June 30, 2024 and December 31, 2023 consisted of the following:

		As of June 30, 2024		As of December 31, 2023	
	Useful Life (in years)	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Customer relationships	5 to 10	$ 26,632	$ 8,250	$ 60,636	$ 48,928
Technology and software	2 to 5	16,230	11,483	16,230	10,195
Trade names	6	6,000	6,000	6,000	6,000
Non-competition agreements	3 to 5	950	489	720	389
Customer contracts	1 to 4	700	172	—	—
Total		$ 50,512	$ 26,394	$ 83,586	$ 65,512

Identifiable intangible assets with finite lives are amortized over their estimated useful lives using either an accelerated or straight-line basis to correspond to the cash flows expected to be derived from the assets.

(Tabular amounts in thousands, except per share amounts)

Intangible asset amortization expense was $1.6 million and $2.0 million for the three months ended June 30, 2024 and 2023, respectively; and $3.3 million and $4.2 million for the six months ended June 30, 2024 and 2023, respectively. The table below sets forth the estimated annual amortization expense for the intangible assets recorded as of June 30, 2024.

Year Ending December 31,	Estimated Amortization Expense
2024	$ 6,536
2025	$ 6,808
2026	$ 5,044
2027	$ 3,637
2028	$ 2,668

Actual future amortization expense could differ from these estimated amounts as a result of future acquisitions, dispositions, and other factors.

5. Revenues

For the three months ended June 30, 2024 and 2023, we recognized revenues of $371.7 million and $346.8 million, respectively. Of the $371.7 million recognized in the second quarter of 2024, we recognized revenues of $18.2 million from obligations satisfied, or partially satisfied, in prior periods, of which $13.2 million was due to changes in the estimates of our variable consideration under performance-based billing arrangements and $5.0 million was due to the release of allowances on receivables from clients and unbilled services. Of the $346.8 million recognized in the second quarter of 2023, we recognized revenues of $14.8 million from obligations satisfied, or partially satisfied, in prior periods, of which $12.6 million was due to changes in the estimates of our variable consideration under performance-based billing arrangements and $2.2 million was due to the release of allowances on receivables from clients and unbilled services.

For the six months ended June 30, 2024 and 2023, we recognized revenues of $727.6 million and $664.7 million, respectively. Of the $727.6 million recognized in the first six months of 2024, we recognized revenues of $20.5 million from obligations satisfied, or partially satisfied, in prior periods, of which $17.2 million was due to changes in the estimates of our variable consideration under performance-based billing arrangements and $3.3 million was due to the release of allowances on receivables from clients and unbilled services. Of the $664.7 million recognized in the first six months of 2023, we recognized revenues of $6.3 million from obligations satisfied, or partially satisfied, in prior periods, of which $5.0 million was due to changes in the estimates of our variable consideration under performance-based billing arrangements and $1.3 million was due to the release of allowances on receivables from clients and unbilled services.

As of June 30, 2024, we had $216.5 million of remaining performance obligations under engagements with original expected durations greater than one year. These remaining performance obligations exclude variable consideration which has been excluded from the total transaction price due to the constraint and performance obligations under time-and-expense engagements which are recognized in the amount invoiced. Of the $216.5 million of performance obligations, we expect to recognize $46.9 million as revenue in 2024, $65.7 million in 2025, and the remaining $103.9 million thereafter. Actual revenue recognition could differ from these amounts as a result of changes in the estimated timing of work to be performed, adjustments to estimated variable consideration in performance-based arrangements, or other factors.

Contract Assets and Liabilities

The payment terms and conditions in our customer contracts vary. Differences between the timing of billings and the recognition of revenue are recognized as either unbilled services or deferred revenues in the consolidated balance sheets.

Unbilled services include revenues recognized for services performed but not yet billed to clients. Services performed that we are not yet entitled to bill because certain events, such as the completion of the measurement period or client approval in performance-based engagements, must occur are recorded as contract assets and included within unbilled services, net. The contract asset, net balance as of June 30, 2024 and December 31, 2023 was $75.7 million and $70.1 million, respectively. The $5.6 million million increase primarily reflects timing differences between the completion of our performance obligations and the amounts billed or billable to clients in accordance with their contractual billing terms.

Client prepayments and retainers are classified as deferred revenues and recognized over future periods in accordance with the applicable engagement agreement and our revenue recognition accounting policy. Our deferred revenues balance as of June 30, 2024 and

(Tabular amounts in thousands, except per share amounts)

December 31, 2023 was $28.6 million and $22.5 million, respectively. The $6.1 million increase reflects timing differences between client payments in accordance with their contract terms and the completion of our performance obligations. For the three and six months ended June 30, 2024, $4.2 million and $19.6 million of revenues recognized were included in the deferred revenue balance as of December 31, 2023, respectively.

6. Earnings Per Share

Basic earnings per share excludes dilution and is computed by dividing net income by the weighted average number of common shares outstanding for the period, excluding unvested restricted common stock. Diluted earnings per share reflects the potential reduction in earnings per share that could occur if securities or other contracts to issue common stock were exercised or converted into common stock under the treasury stock method. Such securities or other contracts include unvested restricted stock awards, unvested restricted stock units, and outstanding common stock options, to the extent dilutive. In periods for which we report a net loss, diluted weighted average common shares outstanding excludes all potential common stock equivalents as their impact on diluted net loss per share would be anti-dilutive.

Earnings per share under the basic and diluted computations are as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net income	$ 37,482	$ 24,712	$ 55,488	$ 38,131
Weighted average common shares outstanding – basic	17,887	18,939	18,042	19,029
Weighted average common stock equivalents	567	547	699	569
Weighted average common shares outstanding – diluted	18,454	19,486	18,741	19,598
Net income per basic share	$ 2.10	$ 1.30	$ 3.08	$ 2.00
Net income per diluted share	$ 2.03	$ 1.27	$ 2.96	$ 1.95

The number of anti-dilutive securities excluded from the computation of the weighted average common stock equivalents presented above for the three and six months ended June 30, 2024 were 0.1 million and less than 0.1 million shares, respectively; and for the three and six months ended June 30, 2023 were both less than 0.1 million shares.

In November 2020, our board of directors authorized a share repurchase program permitting us to repurchase up to $50 million of our common stock through December 31, 2021.The share repurchase program has been subsequently extended and increased, most recently in the second quarter of 2024. The current authorization extends the share repurchase program through December 31, 2025 with a repurchase amount of $500 million. The amount and timing of repurchases under the share repurchase program were and will continue to be determined by management and depend on a variety of factors, including the trading price of our common stock, capacity under our credit facility, general market and business conditions, and applicable legal requirements.

In the three and six months ended June 30, 2024, we repurchased and retired 376,493 and 1,001,191 shares for $34.4 million and $96.7 million, respectively, which includes a $0.3 million and $0.4 million accrual for excise taxes on the net share repurchases, respectively. Additionally, in the first quarter of 2024, we settled the repurchase of 10,000 shares for $1.0 million which were accrued as of December 31, 2023.

In the three and six months ended June 30, 2023, we repurchased and retired 193,648 and 826,542 shares for $15.4 million and $59.6 million, respectively, which includes a $0.1 million and $0.4 million accrual for excise taxes on the net share repurchases, respectively. Additionally, in the first quarter of 2023, we settled the repurchase of 15,200 shares for $1.1 million which were accrued as of December 31, 2022.

As of June 30, 2024, $89.9 million remained available for share repurchases under our share repurchase program.

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7. Financing Arrangements

The Company has a $600 million senior secured revolving credit facility (the “Revolver”) and a $275 million senior secured term loan facility (the “Term Loan”), subject to the terms of the Third Amended and Restated Credit Agreement dated as of November 15, 2022 (as amended, the “Amended Credit Agreement”), both of which fully mature on November 15, 2027. The Term Loan was established in February 2024 with the execution of Amendment No. 2 to the Third Amended and Restated Credit Agreement. The Term Loan is subject to scheduled quarterly amortization payments of $3.4 million beginning June 30, 2024 through the maturity date of November 15, 2027, at which time the outstanding principal balance and all accrued interest will be due.

As of June 30, 2024, we had total borrowings outstanding under our Amended Credit Agreement of $511.6 million, consisting of $240.0 million outstanding under the Revolver and $271.6 million outstanding under the Term Loan. A summary of the scheduled maturities of those borrowings follows:

	Scheduled Maturities of Long-Term Debt
2024	$ 6,875
2025	$ 13,750
2026	$ 13,750
2027	$ 477,187

The initial borrowings under the Revolver were used to refinance borrowings outstanding under a prior credit agreement, and future borrowings under the Revolver may be used for working capital, capital expenditures, share repurchases, permitted acquisitions, and other general corporate purposes. The proceeds of the Term Loan were used to reduce borrowings under the Revolver.

The Amended Credit Agreement provides the option to increase the revolving credit facility or establish additional term loan facilities in an aggregate amount up to $250 million, subject to customary conditions and the approval of any lender whose commitment would be increased, resulting in a maximum available principal amount under the Amended Credit Agreement of $1.13 billion.

Fees and interest on borrowings under the Amended Credit Agreement vary based on our Consolidated Leverage Ratio (as defined in the Amended Credit Agreement). At our option, these borrowings will bear interest at one, three or six month Term SOFR or, in the case of the Revolver, an alternate base rate, in each case plus the applicable margin. The applicable margin for borrowings under the Revolver will fluctuate between 1.125% per annum and 1.875% per annum, in the case of Term SOFR borrowings, or between 0.125% per annum and 0.875% per annum, in the case of base rate loans, based upon our Consolidated Leverage Ratio at such time. The applicable margin for the outstanding principal under the Term Loan will range between 1.625% per annum and 2.375% per annum based upon our Consolidated Leverage Ratio at such time. The fees and interest are subject to further adjustment based upon the Company's performance against specified key performance indicators related to certain environmental, social and governance goals of the Company. Based upon the performance of the Company against those key performance indicators in each Reference Year (as defined in the Amended Credit Agreement), certain adjustments to the otherwise applicable rates for interest, commitment fees and letter of credit fees will be made. These annual adjustments will not exceed an increase or decrease of 0.01% in the aggregate for all key performance indicators in the case of the commitment fee rate or an increase or decrease of 0.05% in the aggregate for all key performance indicators in the case of the Term SOFR borrowings, base rate borrowings or letter of credit fee rate.

Amounts borrowed under the Amended Credit Agreement may be prepaid at any time without premium or penalty. We are required to prepay the amounts outstanding under the Amended Credit Agreement in certain circumstances, including upon an Event of Default (as defined in the Amended Credit Agreement). In addition, we have the right to permanently reduce or terminate the unused portion of the commitments provided under the Amended Credit Agreement at any time.

The loans and obligations under the Amended Credit Agreement are secured pursuant to a Third Amended and Restated Security Agreement and a Third Amended and Restated Pledge Agreement (the “Pledge Agreement”) with Bank of America, N.A. as collateral agent, pursuant to which the Company and the subsidiary guarantors grant Bank of America, N.A., for the ratable benefit of the lenders under the Amended Credit Agreement, a first-priority lien, subject to permitted liens, on substantially all of the personal property assets of the Company and the subsidiary guarantors, and a pledge of 100% of the stock or other equity interests in all domestic subsidiaries and 65% of the stock or other equity interests in each “material first-tier foreign subsidiary” (as defined in the Pledge Agreement) entitled to vote and 100% of the stock or other equity interests in each material first-tier foreign subsidiary not entitled to vote.

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The Amended Credit Agreement contains usual and customary representations and warranties; affirmative and negative covenants, which include limitations on liens, investments, additional indebtedness, and restricted payments; and two quarterly financial covenants as follows: (i) a maximum Consolidated Leverage Ratio (defined as the ratio of debt to consolidated EBITDA) of 3.75 to 1.00; however the maximum permitted Consolidated Leverage Ratio will increase to 4.25 to 1.00 upon the occurrence of a Qualified Acquisition (as defined in the Amended Credit Agreement), and (ii) a minimum Consolidated Interest Coverage Ratio (defined as the ratio of consolidated EBITDA to interest) of 3.00 to 1.00. Consolidated EBITDA for purposes of the financial covenants is calculated on a continuing operations basis and includes adjustments to add back non-cash goodwill impairment charges, share-based compensation costs, certain non-cash restructuring charges, pro forma historical EBITDA for businesses acquired, and other specified items in accordance with the Amended Credit Agreement. For purposes of the Consolidated Leverage Ratio, total debt is on a gross basis and is not netted against our cash balances. At June 30, 2024, we were in compliance with these financial covenants with a Consolidated Leverage Ratio of 2.24 to 1.00 and a Consolidated Interest Coverage Ratio of 10.55 to 1.00.

A summary of the carrying amounts of our debt follows:

	June 30, 2024	December 31, 2023
Revolver	$ 240,000	$ 324,000
Term Loan	271,562	—
Unamortized debt issuance costs - Term Loan[1]	(1,262)	—
Total long-term debt	510,300	324,000
Current maturities of long-term debt	(13,750)	—
Long-term debt, net of current portion	$ 496,550	$ 324,000

(1) In connection with establishing the Term Loan, we incurred $1.4 million of debt issuance costs which were recognized as a discount to the Term Loan. These debt issuance costs are amortized to interest expense using an effective interest rate of 7.34% over the term of the Term Loan. Unamortized debt issuance costs related to the Revolver are included as a component of other non-current assets and amortized to interest expense using the straight-line method over the term of the Revolver.

Borrowings outstanding under the Amended Credit Agreement as of June 30, 2024 and December 31, 2023 carried a weighted average interest rate of 5.2% and 4.2%, respectively, including the effect of the interest rate swaps described in Note 9 "Derivative Instruments and Hedging Activity."

The borrowing capacity under the Revolver is reduced by any outstanding borrowings under the Revolver and outstanding letters of credit. At June 30, 2024, we had outstanding letters of credit totaling $0.6 million, which are used as security deposits for our office facilities. As of June 30, 2024, the unused borrowing capacity under the Revolver was $359.4 million.

8. Restructuring Charges

Restructuring charges for the three and six months ended June 30, 2024 were $2.1 million and $4.4 million, respectively. In the second quarter of 2024, we exited the office space previously occupied by GG+A, which resulted in a $1.4 million non-cash impairment charge on the related right-of-use operating lease asset and fixed assets of that office space. Additionally, in the second quarter of 2024, we recognized $0.6 million of restructuring expense for rent and related expenses, net of sublease income, for previously vacated office spaces. The $4.4 million restructuring charge recognized in the first six months of 2024 included $1.4 million related to the non-cash lease impairment charges on the right-of-use operating lease asset and fixed assets of the exited office space previously occupied by GG+A; $1.1 million of rent and related expenses, net of sublease income, for previously vacated office spaces; $1.0 million of severance-related expenses; and $0.8 million related to non-cash lease impairment charges driven by updated sublease assumptions for our previously vacated office spaces.

Restructuring charges for the three and six months ended June 30, 2023 were $1.7 million and $4.0 million. The $1.7 million of restructuring charges recognized in the second quarter of 2023 included $0.9 million of severance-related expenses; $0.3 million related to the abandonment of a capitalized software development project; $0.2 million of rent and related expenses, net of sublease income, for previously vacated office spaces; and $0.2 million related to non-cash lease impairment charges driven by updated sublease assumptions for previously vacated office spaces. The $4.0 million of restructuring charges incurred in the first six months of 2023 included a $1.9 million noncash impairment charge on the fixed assets and right-of-use operating lease asset related to our office space in Hillsboro, Oregon, which we exited in the first quarter of 2023; $0.9 million of severance-related expenses; $0.6 million for rent and related expenses, net of sublease income, for previously vacated office spaces; $0.3 million related to the abandonment of a capitalized software development project; and $0.2 million related to non-cash lease impairment charges driven by updated sublease assumptions for previously vacated office spaces.

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The table below sets forth the changes in the carrying value of our restructuring charge liability by restructuring type for the six months ended June 30, 2024.

	Employee Costs	Other	Total
Balance as of December 31, 2023	$ 1,366	$ 535	$ 1,901
Additions	1,009	—	1,009
Payments	(2,008)	—	(2,008)
Adjustments	(17)	13	(4)
Balance as of June 30, 2024	$ 350	$ 548	$ 898

All of the $0.4 million restructuring charge liability related to employee costs at June 30, 2024 is expected to be paid in the next 12 months and is included as a component of accrued payroll and related benefits in our consolidated balance sheet. All of the $0.5 million other restructuring charge liability at June 30, 2024, which primarily relates to the early termination of a contract in a prior period, is expected to be paid in the next 12 months and is included as a component of accrued expenses and other current liabilities in our consolidated balance sheet.

9. Derivative Instruments and Hedging Activity

In the normal course of business, we use forward interest rate swaps to manage the interest rate risk associated with our variable-rate borrowings under our senior secured credit facility and we use non-deliverable foreign exchange forward contracts to manage the foreign currency exchange rate risk related to our Indian Rupee-denominated expenses of our operations in India. From time to time, we may enter into additional forward interest rate swaps or non-deliverable foreign exchange forward contracts to further hedge against our interest rate risk and foreign currency exchange rate risk. We do not use derivative instruments for trading or other speculative purposes.

We have designated all of our derivative instruments as cash flow hedges. Therefore, changes in the fair value of the interest rate swaps and foreign exchange forward contracts are recorded to other comprehensive income to the extent effective and reclassified to earnings upon settlement.

Interest Rate Swaps

We are party to forward interest rate swap agreements with aggregate notional amounts of $300.0 million and $250.0 million as of June 30, 2024 and December 31, 2023, respectively. Under the terms of the interest rate swap agreements, we receive from the counterparty interest on the notional amount based on one month Term SOFR and we pay to the counterparty a stated, fixed rate. The forward interest rate swap agreements have staggered maturities through January 31, 2029.

As of June 30, 2024, it was anticipated that $4.6 million of the gains, net of tax, related to interest rate swaps currently recorded in accumulated other comprehensive income will be reclassified into interest expense, net of interest income in our consolidated statement of operations within the next 12 months.

Foreign Exchange Forward Contracts

We are party to non-deliverable foreign exchange forward contracts that are scheduled to mature monthly through April 30, 2025. As of June 30, 2024 and December 31, 2023, the aggregate notional amounts of these contracts were INR 629.2 million, or $7.5 million, and INR 1,375.7 million, or $16.6 million, respectively, based on the exchange rates in effect as of each period end.

As of June 30, 2024, it was anticipated that the less than $0.1 million of losses, net of tax, related to foreign exchange forward contracts currently recorded in accumulated other comprehensive income will be reclassified into earnings in our consolidated statement of operations within the next 12 months.

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The table below sets forth additional information relating to our derivative instruments as of June 30, 2024 and December 31, 2023.

Derivative Instrument	Balance Sheet Location	June 30, 2024	December 31, 2023
Interest rate swaps	Prepaid expenses and other current assets	$ 6,042	$ 6,655
Interest rate swaps	Other non-current assets	1,115	891
Foreign exchange forward contracts	Prepaid expenses and other current assets	25	—
Total Assets		$ 7,182	$ 7,546
Interest rate swaps	Deferred compensation and other liabilities	$ 78	$ 307
Foreign exchange forward contracts	Accrued expenses and other current liabilities	7	70
Total Liabilities		$ 85	$ 377

All of our derivative instruments are transacted under the International Swaps and Derivatives Association (ISDA) master agreements. These agreements permit the net settlement of amounts owed in the event of default and certain other termination events. Although netting is permitted, it is our policy to record all derivative assets and liabilities on a gross basis in our consolidated balance sheet. Refer to Note 11 “Other Comprehensive Income (Loss)” for additional information on our derivative instruments.

10. Fair Value of Financial Instruments

Certain of our assets and liabilities are measured at fair value. Fair value is defined as the price that would be received to sell an asset or the price that would be paid to transfer a liability in an orderly transaction between market participants at the measurement date. GAAP establishes a fair value hierarchy for inputs used in measuring fair value and requires companies to maximize the use of observable inputs and minimize the use of unobservable inputs. The fair value hierarchy consists of three levels based on the objectivity of the inputs as follows:

Level 1 Inputs	Quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.
Level 2 Inputs	Quoted prices in active markets for similar assets or liabilities; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable for the asset or liability; or inputs that are derived principally from or corroborated by observable market data by correlation or other means.
Level 3 Inputs	Unobservable inputs for the asset or liability, and include situations in which there is little, if any, market activity for the asset or liability.

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The table below sets forth our fair value hierarchy for our financial assets and liabilities measured at fair value on a recurring basis as of June 30, 2024 and December 31, 2023.

	Level 1	Level 2	Level 3	Total
June 30, 2024				
Assets:				
Interest rate swaps	$ —	$ 7,157	$ —	$ 7,157
Convertible debt investment	—	—	57,550	57,550
Foreign exchange forward contracts	—	25	—	25
Deferred compensation assets	—	38,978	—	38,978
Total assets	$ —	$ 46,160	$ 57,550	$ 103,710
Liabilities:				
Interest rate swaps	$ —	$ 78	$ —	$ 78
Foreign exchange forward contracts	—	7	—	7
Contingent consideration for business acquisitions	—	—	694	694
Total liabilities	$ —	$ 85	$ 694	$ 779
December 31, 2023				
Assets:				
Interest rate swaps	$ —	$ 7,546	$ —	$ 7,546
Convertible debt investment	—	—	68,046	68,046
Deferred compensation assets	—	34,826	—	34,826
Total assets	$ —	$ 42,372	$ 68,046	$ 110,418
Liabilities:				
Interest rate swaps	$ —	$ 307	$ —	$ 307
Foreign exchange forward contracts	—	70	—	70
Contingent consideration for business acquisitions	—	—	2,074	2,074
Total liabilities	$ —	$ 377	$ 2,074	$ 2,451

Interest rate swaps: The fair values of our interest rate swaps were derived using estimates to settle the interest rate swap agreements, which are based on the net present value of expected future cash flows on each leg of the swaps utilizing market-based inputs and a discount rate reflecting the risks involved. Refer to Note 9 “Derivative Instruments and Hedging Activity” for additional information on our interest rate swaps.

Foreign exchange forward contracts: The fair values of our foreign exchange forward contracts were derived using estimates to settle the foreign exchange forward contracts agreements, which are based on the net present value of expected future cash flows on each contract utilizing market-based inputs, including both forward and spot prices, and a discount rate reflecting the risks involved. Refer to Note 9 “Derivative Instruments and Hedging Activity” for additional information on our foreign exchange forward contracts.

Deferred compensation assets: We have a non-qualified deferred compensation plan (the “Plan”) for the members of our board of directors and a select group of our employees. The deferred compensation liability is funded by the Plan assets, which consist of life insurance policies maintained within a trust. The cash surrender value of the life insurance policies approximates fair value and is based on third-party broker statements which provide the fair value of the life insurance policies' underlying investments, which are Level 2 inputs. The cash surrender value of the life insurance policies is invested primarily in mutual funds. The Plan assets are included in other non-current assets in our consolidated balance sheets. Realized and unrealized gains (losses) from the deferred compensation assets are recorded to other income (expense), net in our consolidated statements of operations.

Convertible debt investment: Since 2014, we have invested $40.9 million in the form of 1.69% convertible debt in Shorelight Holdings, LLC (“Shorelight”), the parent company of Shorelight, a U.S.-based company that partners with leading nonprofit universities to increase access to and retention of international students, boost institutional growth, and enhance an institution’s global footprint. The convertible notes will mature on January 17, 2027, unless converted earlier.

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To determine the appropriate accounting treatment for our investment, we performed a variable interest entity (“VIE”) analysis and concluded that Shorelight does not meet the definition of a VIE. We also reviewed the characteristics of our investment to confirm that the convertible notes are not in-substance common stock that would warrant equity method accounting. After we reviewed all of the terms of the investment, we concluded the appropriate accounting treatment to be that of an available-for-sale debt security. We continue to monitor the key factors of our VIE analysis and the terms of the convertible notes to ensure our accounting treatment is appropriate. We have not identified any changes to Shorelight or our investment that would change our classification of the investment as an available-for-sale debt security.

The investment is carried at fair value with unrealized holding gains and losses excluded from earnings and reported in other comprehensive income. The carrying value is recorded in long-term investments in our consolidated balance sheets. We estimate the fair value of our investment using a scenario-based approach in the form of a hybrid analysis that consists of a Monte Carlo simulation model and an expected return analysis. The conclusion of value for our investment is based on the probability-weighted assessment of both scenarios. The hybrid analysis utilizes certain assumptions including the assumed holding period through the maturity date of January 17, 2027; the applicable waterfall distribution at the end of the expected holding period based on the rights and privileges of the various instruments; cash flow projections discounted at the risk-adjusted rate of 23.5% and 24.5% as of June 30, 2024 and December 31, 2023, respectively; and the concluded equity volatility of 40.0% and 35.0% as of June 30, 2024 and December 31, 2023, respectively, all of which are Level 3 inputs. The use of alternative estimates and assumptions could increase or decrease the estimated fair value of the investment, which would result in different impacts to our consolidated balance sheet and comprehensive income. Actual results may differ from our estimates.

The table below sets forth the changes in the balance of the convertible debt investment for the six months ended June 30, 2024.

	Convertible Debt Investment
Balance as of December 31, 2023	$ 68,046
Change in fair value	(10,496)
Balance as of June 30, 2024	$ 57,550

Contingent consideration for business acquisitions: We estimate the fair value of acquisition-related contingent consideration using either a probability-weighted assessment of the specific financial performance targets being measured or a Monte Carlo simulation model, as appropriate. These fair value measurements are based on significant inputs not observable in the market and thus represent Level 3 inputs. The significant unobservable inputs used in the fair value measurements of our contingent consideration are our measures of the estimated payouts based on internally generated financial projections on a probability-weighted basis and a discount rate which was 6.3% as of both June 30, 2024 and December 31, 2023. The fair value of the contingent consideration is reassessed quarterly based on assumptions used in our latest projections and input provided by practice leaders and management. Any change in the fair value estimate is recorded to other gains, net in our consolidated statement of operations for that period. The use of alternative estimates and assumptions could increase or decrease the estimated fair value of our contingent consideration liability, which would result in different impacts to our consolidated balance sheets and consolidated statements of operations. Actual results may differ from our estimates.

The table below sets forth the changes in the balance of the contingent consideration for business acquisitions for the six months ended June 30, 2024.

	Contingent Consideration for Business Acquisitions
Balance as of December 31, 2023	$ 2,074
Acquisition	36
Payment	(1,000)
Change in fair value	(416)
Balance as of June 30, 2024	$ 694

Financial assets and liabilities not recorded at fair value on a recurring basis are as follows:

Preferred Stock Investment

In the fourth quarter of 2019, we invested $5.0 million in a hospital-at-home company. The investment was made in the form of preferred stock. To determine the appropriate accounting treatment for our preferred stock investment, we performed a VIE analysis and concluded that the company does not meet the definition of a VIE. We also reviewed the characteristics of our investment to confirm that the preferred stock is not in-substance common stock that would warrant equity method accounting. After we reviewed all of the terms of the investment, we concluded the appropriate accounting treatment for our investment to be that of an equity security with no readily determinable fair value. We elected to apply the measurement alternative at the time of the purchase and will continue to do so until the investment does not qualify to be so measured. Under the measurement alternative, the investment is carried at cost minus impairment, plus or minus changes resulting from observable price changes in orderly transactions for an identical or similar investment in the same company. On a quarterly basis, we review the information available to determine whether an orderly and observable transaction for the same or similar equity instrument occurred or if factors indicate that a significant decrease in value has occurred. We remeasure to the fair value of the preferred stock using such identified information with changes in the fair value recorded in our consolidated statement of operations.

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During the first six months of 2024 and 2023, there were no observable price changes or impairments of our preferred stock investment. Since our initial investment, we have recognized cumulative unrealized gains of $28.6 million and cumulative unrealized losses of $26.3 million. As of June 30, 2024 and December 31, 2023, the carrying value of our preferred stock investment was $7.4 million.

Senior Secured Credit Facility

The carrying value of our borrowings outstanding under our senior secured credit facility is stated at cost. Our carrying value approximates fair value, using Level 2 inputs, as the senior secured credit facility bears interest at variable rates based on current market rates as set forth in the Amended Credit Agreement. Refer to Note 7 “Financing Arrangements” for additional information on our senior secured credit facility.

Cash and Cash Equivalents and Other Financial Instruments

Cash and cash equivalents are stated at cost, which approximates fair market value. The carrying values of all other financial instruments not described above reasonably approximate fair market value due to the nature of the financial instruments and the short-term maturity of these items.

11. Other Comprehensive Income (Loss)

The table below sets forth the components of other comprehensive income (loss), net of tax, for the three and six months ended June 30, 2024 and 2023.

	Three Months Ended June 30, 2024			Three Months Ended June 30, 2023		
	Before Taxes	Tax (Expense) Benefit	Net of Taxes	Before Taxes	Tax (Expense) Benefit	Net of Taxes
Foreign currency translation adjustments	$ (281)	$ —	$ (281)	$ 327	$ —	$ 327
Unrealized gain (loss) on investment	$ (8,549)	$ 2,231	$ (6,318)	$ 754	$ (201)	$ 553
Interest rate swaps:						
Change in fair value	$ 791	$ (206)	$ 585	$ 5,265	$ (1,400)	$ 3,865
Reclassification adjustments into earnings	(2,344)	612	(1,732)	(1,941)	516	(1,425)
Net unrealized gain (loss) on interest rate swaps	$ (1,553)	$ 406	$ (1,147)	$ 3,324	$ (884)	$ 2,440
Foreign exchange forward contracts:						
Change in fair value	$ 22	$ (6)	$ 16	$ 46	$ (12)	$ 34
Reclassification adjustments into earnings	6	(2)	4	(14)	3	(11)
Net unrealized gain (loss) on foreign exchange forward contracts	$ 28	$ (8)	$ 20	$ 32	$ (9)	$ 23
Other comprehensive income (loss)	$ (10,355)	$ 2,629	$ (7,726)	$ 4,437	$ (1,094)	$ 3,343

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	Six Months Ended June 30, 2024			Six Months Ended June 30, 2023		
	Before Taxes	Tax (Expense) Benefit	Net of Taxes	Before Taxes	Tax (Expense) Benefit	Net of Taxes
Foreign currency translation adjustments	$ (1,003)	$ —	$ (1,003)	$ 379	$ —	$ 379
Unrealized gain (loss) on investment	$ (10,496)	$ 2,731	$ (7,765)	$ 6,033	$ (1,607)	$ 4,426
Interest rate swaps:						
Change in fair value	$ 4,469	$ (1,166)	$ 3,303	$ 3,458	$ (919)	$ 2,539
Reclassification adjustments into earnings	(4,629)	1,208	(3,421)	(3,473)	923	(2,550)
Net unrealized gain (loss) on interest rate swaps	$ (160)	$ 42	$ (118)	$ (15)	$ 4	$ (11)
Foreign exchange forward contracts:						
Change in fair value	$ 68	$ (18)	$ 50	$ 200	$ (53)	$ 147
Reclassification adjustments into earnings	20	(6)	14	(2)	—	(2)
Net unrealized gain (loss) on foreign exchange forward contracts	$ 88	$ (24)	$ 64	$ 198	$ (53)	$ 145
Other comprehensive income (loss)	$ (11,571)	$ 2,749	$ (8,822)	$ 6,595	$ (1,656)	$ 4,939

The before tax amounts reclassified from accumulated other comprehensive income related to our interest rate swaps and foreign exchange forward contracts are recorded to interest expense, net of interest income and direct costs, respectively, on our consolidated statement of operations. The related tax amounts reclassified from accumulated other comprehensive income are recorded to income tax expense (benefit) on our consolidated statement of operations. Refer to Note 9 “Derivative Instruments and Hedging Activity” for additional information on our derivative instruments.

Accumulated other comprehensive income, net of tax, includes the following components:

			Cash Flow Hedges		
	Foreign Currency Translation	Available-for-Sale Investment	Interest Rate Swaps	Foreign Exchange Forward Contracts	Total
Balance as of December 31, 2023	$ (2,521)	$ 20,039	$ 5,361	$ (52)	$ 22,827
Current period change	(1,003)	(7,765)	(118)	64	(8,822)
Balance as of June 30, 2024	$ (3,524)	$ 12,274	$ 5,243	$ 12	$ 14,005

12. Income Taxes

For the three months ended June 30, 2024, our effective tax rate was 28.1% as we recognized income tax expense of $14.6 million on income of $52.1 million. The effective tax rate of 28.1% was less favorable than the statutory rate, inclusive of state income taxes, of 26.1%, primarily due to certain nondeductible expense items.

For the three months ended June 30, 2023, our effective tax rate was 29.4% as we recognized income tax expense of $10.3 million on income of $35.0 million. The effective tax rate of 29.4% was less favorable than the statutory rate, inclusive of state income taxes, of 26.6%, primarily due to certain nondeductible expense items, partially offset by a tax benefit related to non-taxable gains on our investments used to fund our deferred compensation liability.

For the six months ended June 30, 2024, our effective tax rate was 20.3% as we recognized income tax expense of $14.2 million on income of $69.7 million. The effective tax rate of 20.3% was more favorable than the statutory rate, inclusive of state income taxes, of 26.1%, primarily due to a discrete tax benefit for share-based compensation awards that vested during the first quarter of 2024 and a tax benefit related to non-taxable gains on our investments used to fund our deferred compensation liability. These favorable items were partially offset by certain nondeductible expense items.

For the six months ended June 30, 2023, our effective tax rate was 25.0% as we recognized income tax expense of $12.7 million on income of $50.8 million. The effective tax rate of 25.0% was more favorable than the statutory rate, inclusive of state income taxes, of 26.6%, primarily due to a discrete tax benefit for share-based compensation awards that vested during the first quarter of 2023 and a tax benefit related to non-taxable gains on our investments used to fund our deferred compensation liability. These favorable items were partially offset by certain nondeductible expense items.

13. Commitments, Contingencies and Guarantees

Litigation

In the second quarter of 2024, we recognized a pre-tax $15.0 million litigation settlement gain related to a completed legal matter for which Huron was the plaintiff, which is included in other gains, net on our consolidated statement of operations.

From time to time, we are involved in legal proceedings and litigation arising in the ordinary course of business. As of the date of this Quarterly Report on Form 10-Q, we are not a party to any litigation or legal proceeding or subject to any claim that, in the current opinion of management, could reasonably be expected to have a material adverse effect on our financial position or results of operations. However, due to the risks and uncertainties inherent in legal proceedings, actual results could differ from current expected results.

Guarantees

Guarantees in the form of letters of credit totaling $0.6 million and $0.5 million were outstanding at June 30, 2024 and December 31, 2023, respectively, which are used as security deposits for our office facilities.

In connection with certain business acquisitions, we may be required to pay post-closing consideration to the sellers if specific financial performance targets are met over a number of years as specified in the related purchase agreements. As of June 30, 2024 and December 31, 2023, the total estimated fair value of our outstanding contingent consideration liability was $0.7 million and $2.1 million, respectively.

To the extent permitted by law, our bylaws and articles of incorporation require that we indemnify our officers and directors against judgments, fines and amounts paid in settlement, including attorneys' fees, incurred in connection with civil or criminal action or proceedings, as it relates to their services to us if such person acted in good faith. Although there is no limit on the amount of indemnification, we may have recourse against our insurance carrier for certain payments made.

14. Segment Information

Segments are defined as components of a company that engage in business activities from which they may earn revenues and incur expenses, and for which separate financial information is available and is evaluated regularly by the chief operating decision maker, or decision-making group, in deciding how to allocate resources and in assessing performance. Our chief operating decision maker, who is our chief executive officer, manages the business under three operating segments, which are our reportable segments: Healthcare, Education, and Commercial.

- **Healthcare**

  Our Healthcare segment serves acute care providers, including national and regional health systems; academic health systems; community health systems; the federal health system; and public, children's and critical access hospitals, and non-acute care providers, including physician practices and medical groups; payors; and long-term care or post-acute providers. Our healthcare-focused services and products include financial and operational performance improvement consulting, which spans revenue cycle, cost and care delivery transformation; digital offerings, spanning technology and analytic-related services, including enterprise health record ("EHR"), enterprise resource planning ("ERP") and enterprise performance management ("EPM"), customer relationship management ("CRM"), data management and technology managed services, and a portfolio of software products; organizational transformation; revenue cycle managed services and outsourcing; financial and capital advisory consulting; and strategy and innovation consulting.

- **Education**

  Our Education segment serves public and private colleges and universities, research institutes and other education-related organizations. Our education and research-focused services and products include our digital offerings, spanning technology and analytic-related services, including student information systems, ERP and EPM, CRM, data management and technology managed services and our Huron Research Suite product suite (the leading software suite designed to facilitate and improve research administration service delivery and compliance); our research-focused consulting and managed services; and our strategy and operations consulting services, which span finance, accounting, operations and philanthropy functions, organization and talent strategy, and student and academic strategy.

- **Commercial**

  Our Commercial segment is focused on serving industries and organizations facing significant disruption and regulatory change by helping them adapt to rapidly changing environments and accelerate business transformation. Our Commercial professionals work primarily with six primary buyers: the chief executive officer, the chief financial officer, the chief strategy officer, the chief human resources officer, the chief operating officer, and organizational advisors, including lenders and law firms. We have a deep focus on serving organizations in the financial services, energy and utilities, industrials and manufacturing industries and the public sector while opportunistically serving commercial industries more broadly, including professional and business services, life sciences, consumer products, and nonprofit. Our Commercial professionals use their deep industry, functional and technical expertise to deliver our digital services and software products, financial advisory (special situation advisory and corporate finance advisory) services, and strategy and innovation consulting services.

Segment operating income consists of the revenues generated by a segment, less operating expenses that are incurred directly by the segment. Unallocated costs include corporate costs related to administrative functions that are performed in a centralized manner that are not attributable to a particular segment. These administrative function costs include corporate office support costs, office facility costs, costs related to accounting and finance, human resources, legal, marketing, information technology, and company-wide business development functions, as well as costs related to overall corporate management. Our chief operating decision maker does not evaluate segments using asset information.

HURON CONSULTING GROUP INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Tabular amounts in thousands, except per share amounts)
(Unaudited)

The table below sets forth information about our operating segments for the three and six months ended June 30, 2024 and 2023, along with the items necessary to reconcile the segment information to the totals reported in the accompanying consolidated financial statements.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Healthcare:				
Revenues	$ 190,098	$ 173,768	$ 370,840	$ 322,817
Operating income	$ 55,246	$ 49,151	$ 97,940	$ 81,406
Segment operating income as a percentage of segment revenues	29.1 %	28.3 %	26.4 %	25.2 %
Education:				
Revenues	$ 122,753	$ 110,694	$ 234,336	$ 214,841
Operating income	$ 30,792	$ 27,397	$ 52,748	$ 50,562
Segment operating income as a percentage of segment revenues	25.1 %	24.8 %	22.5 %	23.5 %
Commercial:				
Revenues	$ 58,803	$ 62,297	$ 122,439	$ 126,996
Operating income	$ 9,015	$ 10,472	$ 23,054	$ 24,539
Segment operating income as a percentage of segment revenues	15.3 %	16.8 %	18.8 %	19.3 %
Total Huron:				
Revenues	$ 371,654	$ 346,759	$ 727,615	$ 664,654
Reimbursable expenses	9,363	8,140	16,787	16,630
Total revenues and reimbursable expenses	$ 381,017	$ 354,899	$ 744,402	$ 681,284
Segment operating income	$ 95,053	$ 87,020	$ 173,742	$ 156,507
Items not allocated at the segment level:				
Other operating expenses	45,626	43,044	96,565	86,665
Other gains, net	(15,917)	(623)	(14,349)	(188)
Restructuring charges	2,047	502	4,280	2,786
Depreciation and amortization	3,894	4,378	7,922	9,094
Operating income	59,403	39,719	79,324	58,150
Other expense, net	(7,308)	(4,734)	(9,669)	(7,318)
Income before taxes	$ 52,095	$ 34,985	$ 69,655	$ 50,832

HURON CONSULTING GROUP INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Tabular amounts in thousands, except per share amounts)
(Unaudited)

The following table illustrates the disaggregation of revenues by our two principal capabilities: i) Consulting and Managed Services and ii) Digital, and includes a reconciliation of the disaggregated revenues to revenues from our three operating segments for the three and six months ended June 30, 2024 and 2023.

	Three Months Ended June 30,		Six Months Ended June 30,	
Revenues by Capability	**2024**	**2023**	**2024**	**2023**
Healthcare:				
Consulting and Managed Services	$ 133,987	$ 124,944	$ 258,198	$ 226,680
Digital	56,111	48,824	112,642	96,137
Total revenues	$ 190,098	$ 173,768	$ 370,840	$ 322,817
Education:				
Consulting and Managed Services	$ 63,831	$ 53,426	$ 118,940	$ 106,653
Digital	58,922	57,268	115,396	108,188
Total revenues	$ 122,753	$ 110,694	$ 234,336	$ 214,841
Commercial:				
Consulting and Managed Services	$ 20,521	$ 18,885	$ 42,760	$ 41,116
Digital	38,282	43,412	79,679	85,880
Total revenues	$ 58,803	$ 62,297	$ 122,439	$ 126,996
Total Huron:				
Consulting and Managed Services	$ 218,339	$ 197,255	$ 419,898	$ 374,449
Digital	153,315	149,504	307,717	290,205
Total revenues	$ 371,654	$ 346,759	$ 727,615	$ 664,654

For the three and six months ended June 30, 2024 and 2023, substantially all of our revenues were recognized over time. During the three and six months ended June 30, 2024 and 2023, no single client generated greater than 10% of our consolidated revenues. At June 30, 2024, one client in our Healthcare segment accounted for 13.4% of our combined receivable from clients, net and unbilled services, net balance as a result of outstanding invoices due in the normal course of the contract payment terms. At December 31, 2023, no single client accounted for greater than 10% of our combined balance of receivables from clients, net and unbilled services, net.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

In this Quarterly Report on Form 10-Q, unless the context otherwise requires, the terms "Huron," "Company," "we," "us" and "our" refer to Huron Consulting Group Inc. and its subsidiaries.

Statements in this Quarterly Report on Form 10-Q 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 (the "Exchange Act") 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 our current expectations about our 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 our Annual Report on Form 10-K for the year ended December 31, 2023 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. We disclaim any obligation to update or revise any forward-looking statements as a result of new information or future events, or for any other reason.

OVERVIEW

Huron is a global professional services firm that partners with clients to develop growth strategies, optimize operations and accelerate digital transformation, including using an enterprise portfolio of technology, data and analytics solutions, to empower clients to own their future. By collaborating with clients, embracing diverse perspectives, encouraging new ideas and challenging the status quo, we create sustainable results for the organizations we serve.

OUR STRATEGY

The combination of our deep industry expertise and breadth of our offerings is the foundation of our growth strategy and why our clients choose Huron as their trusted advisor. Key focus areas of our growth strategy include:

- **Accelerating Growth in Healthcare and Education:** Huron has leading market positions in healthcare and education, providing comprehensive offerings to the largest health systems, academic medical centers, colleges and universities, and research institutes in the United States.
- **Growing Presence in Commercial Industries:** Huron's commercial industry focus has increased the diversification of the Company's portfolio and end markets while expanding the range of capabilities it can deliver to clients, providing new avenues for growth and an important balance to its healthcare and education focus.
- **Rapidly Growing Global Digital Capability:** Huron's ability to provide a broad portfolio of digital offerings that support the strategic and operational needs of its clients is at the foundation of the Company's strategy. Huron will continue to advance its integrated digital platform to support its strong growth trajectory.
- **Solid Foundation for Margin Expansion:** The Company is well-positioned to achieve consistent margin expansion as well as strong annual adjusted diluted earnings per share growth. We are committed to operating income margin expansion by growing the areas of the business that provide the most attractive returns, improving the operational efficiency of our delivery for clients, and scaling our selling, general, and administrative expenses as we grow.
- **Strong Balance Sheet and Cash Flows:** Strong free cash flows have and will continue to be a hallmark of Huron's financial strength and business model. The Company is committed to deploying capital in a strategic and balanced way, including returning capital to shareholders and executing strategic, tuck-in acquisitions.

OUR SERVICES AND PRODUCTS

We provide our services and products and manage our business under three operating segments: Healthcare, Education, and Commercial. The Commercial segment includes all industries outside of healthcare and education, including, but not limited to, financial services and energy and utilities. We also provide revenue reporting across two principal capabilities: i) Consulting and Managed Services and ii) Digital, which are methods by which we deliver our services and products.

Operating Industries

- ***Healthcare***

  Our Healthcare segment serves acute care providers, including national and regional health systems; academic health systems; community health systems; the federal health system; and public, children's and critical access hospitals, and non-acute care providers, including physician practices and medical groups; payors; and long-term care or post-acute providers. Our healthcare-focused services and products include financial and operational performance improvement consulting, which spans revenue cycle, cost and care delivery transformation; digital offerings, spanning technology and analytic-related services, including enterprise health record ("EHR"), enterprise resource planning ("ERP") and enterprise performance management ("EPM"), customer relationship management ("CRM"), data management and technology managed services, and a portfolio of software products; organizational transformation; revenue cycle managed services and outsourcing; financial and capital advisory consulting; and strategy and innovation consulting.

  To best serve our clients, we continue to diversify our portfolio of offerings. For example, we have broadened our capabilities beyond our leading profit and loss-focused offerings (e.g., revenue cycle, cost transformation) into offerings dedicated to optimizing our clients' financial positions through financial advisory and transaction-related services; transforming care delivery models through virtual health, health equity and social determinants of health models; and evolving organizations by supporting change management and developing the next generation of leaders by applying our best practices (e.g., revenue cycle leadership).

- ***Education***

  Our Education segment serves public and private colleges and universities, research institutes and other education-related organizations. Our education and research-focused services and products include our digital offerings, spanning technology and analytic-related services, including student information systems, ERP and EPM, CRM, data management and technology managed services and our Huron Research Suite product suite (the leading software suite designed to facilitate and improve research administration service delivery and compliance); our research-focused consulting and managed services; and our strategy and operations consulting services, which span finance, accounting, operations and philanthropy functions, organization and talent strategy, and student and academic strategy. We continue to broaden our offerings into new areas. Most recently, we expanded our research managed services, advancement, campus health and well-being, and athletics offerings.

- ***Commercial***

  Our Commercial segment is focused on serving industries and organizations facing significant disruption and regulatory change by helping them adapt to rapidly changing environments and accelerate business transformation. Our Commercial professionals work primarily with six primary buyers: the chief executive officer, the chief financial officer, the chief strategy officer, the chief human resources officer, the chief operating officer, and organizational advisors, including lenders and law firms. We have a deep focus on serving organizations in the financial services, energy and utilities, industrials and manufacturing industries and the public sector while opportunistically serving commercial industries more broadly, including professional and business services, life sciences, consumer products, and nonprofit. Our Commercial professionals use their deep industry, functional and technical expertise to deliver our digital services and software products, financial advisory (special situation advisory and corporate finance advisory) services, and strategy and innovation consulting services.

Capabilities

Within each of our operating segments, we provide our offerings under two principal capabilities: i) Consulting and Managed Services and ii) Digital.

- ***Consulting and Managed Services***

  Our Consulting and Managed Services capabilities represent our management consulting services, managed services (excluding technology-related managed services) and outsourcing services delivered across industries. Our Consulting and Managed Services experts help our clients address a variety of strategic, operational, financial, people and organizational-related challenges. These services are often combined with technology, analytic and data-driven solutions powered by our Digital capability to support long-term relationships with our clients and drive lasting impact. Examples include the areas of revenue cycle management and research administration managed services and outsourcing at our healthcare, education and research-focused clients, where our projects are often coupled with our digital services and product offerings and management consulting services to sustain improved performance.

- ***Digital***

  Our Digital capabilities represent our technology and analytics services, including technology-related managed services, and software products delivered across industries. Our Digital experts help clients address a variety of business challenges, including, but not limited to, designing and implementing technologies to accelerate transformation, facilitate data-driven decision making and improve customer and employee experiences. We have invested organically and inorganically to expand our Digital offerings, which now span beyond traditional ERP implementations into a broader set of administrative systems, industry-specific systems of record and systems of engagement that act as the “digital front door” to an organization. We also have grown our data, analytics and automation offerings to deliver a unified and actionable technology ecosystem for our clients.

We have expanded our ecosystem to work with more than 25 technology partners. We are a Leading Modern Oracle Network Partner; a Summit-level consulting partner with Salesforce.com and a Premium Partner with Salesforce.org; a Workday Services, Preferred Channel, Extend, and Application Management Services Partner; an Amazon Web Services consulting partner; an Informatica Platinum Partner; an SAP Concur implementation partner; and a Boomi Elite Partner.

We have also grown our proprietary software product portfolio to address our clients' challenges with solutions that expand our base of recurring revenue and further differentiate our consulting, digital and managed services offerings. Our product portfolio bundles our deep industry expertise and unique intellectual property together to serve our clients outside of our traditional consulting offerings. Our product portfolio includes, among others: Huron Research Suite, the leading software suite designed to facilitate and improve research administration service delivery and compliance; Huron Intelligence™ Rounding, the #1 ranked Digital Rounding solution in the 2024 Best in KLAS® Software & Services report; and Huron Intelligence™ Analytic Suite in Healthcare, a predictive analytics suite to improve care delivery while lowering costs.

COMPONENTS OF OPERATING RESULTS

Revenues

Our revenues are primarily generated by our employees who provide consulting and other professional services to our clients and are billable to our clients based on the number of hours worked, services provided, or achieved outcomes. We refer to these employees as our revenue-generating professionals. Revenues are primarily driven by the number of revenue-generating professionals we employ as well as the total value, scope, and terms of the consulting contracts under which they provide services. We also engage independent contractors to supplement our revenue-generating professionals on client engagements as needed.

We generate our revenues from providing professional services and software products under the following four types of billing arrangements: fixed-fee (including software license revenue); time-and-expense; performance-based; and software support, maintenance and subscriptions.

- *Fixed-fee (including software license revenue):* In fixed-fee billing arrangements, we agree to a pre-established fee in exchange for a predetermined set of professional services. We set the fees based on our estimates of the costs and timing for completing the engagements. Fixed-fee arrangements also include software licenses for our revenue cycle management software and research administration and compliance software.

- *Time-and-expense:* Under time-and-expense billing arrangements, we invoice our clients based on the number of hours worked by our revenue-generating professionals at agreed upon rates. Time-and-expense arrangements also include speaking engagements, conferences and publications purchased by our clients.

- *Performance-based:* In performance-based billing arrangements, fees are tied to the attainment of contractually defined objectives. We enter into performance-based engagements in essentially two forms. First, we generally earn fees that are directly related to the savings formally acknowledged by the client as a result of adopting our recommendations for improving operational and cost effectiveness in the areas we review. Second, we earn a success fee when and if certain predefined outcomes occur. Often, performance-based fees supplement our fixed-fee or time-and-expense engagements. The level of performance-based fees earned may vary based on our clients’ risk sharing preferences and the mix of services we provide.

- *Software support, maintenance and subscriptions:* Clients that have purchased one of our software licenses can pay an annual fee for software support and maintenance. We also generate subscription revenue from our cloud-based analytic tools and solutions. Software support, maintenance and subscription revenues are recognized ratably over the support or subscription period. These fees are generally billed in advance and included in deferred revenues until recognized.

Time-and-expense engagements do not provide us with a high degree of predictability as to performance in future periods. Unexpected changes in the demand for our services can result in significant variations in utilization and revenues and present a challenge to optimal hiring and staffing. Moreover, our clients typically retain us on an engagement-by-engagement basis, rather than under long-term recurring contracts. The volume of work performed for any particular client can vary widely from period to period.

Our quarterly results are impacted principally by the total value, scope, and terms of our client contracts, the number of our revenue-generating professionals who are available to work, our revenue-generating professionals' utilization rate, and the bill rates we charge our clients. Our utilization rate can be negatively affected by increased hiring because there is generally a transition period for new professionals that results in a temporary drop in our utilization rate. Our utilization rate can also be affected by seasonal variations in the demand for our services from our clients. For example, during the third and fourth quarters of the year, vacations taken by our clients can result in the deferral of activity on existing and new engagements, which would negatively affect our utilization rate. The number of business work days is also affected by the number of vacation days taken by our consultants and holidays in each quarter. We typically have fewer business work days available in the fourth quarter of the year, which can impact revenues during that period.

Reimbursable Expenses

Reimbursable expenses that are billed to clients, primarily relating to travel and out-of-pocket expenses incurred in connection with client engagements, are included in total revenues and reimbursable expenses. We manage our business on the basis of revenues before reimbursable expenses, which we believe is the most accurate reflection of our services because it eliminates the effect of reimbursable expenses that we bill to our clients at cost.

Operating Expenses

Our most significant expenses are costs classified as direct costs. Direct costs primarily consist of compensation costs for our revenue-generating professionals, which includes salaries, performance bonuses, share-based compensation, signing and retention bonuses, payroll taxes and benefits. Direct costs also include fees paid to independent contractors that we retain to supplement our revenue-generating professionals, typically on an as-needed basis for specific client engagements, and technology costs, product and event costs, and commissions. Direct costs exclude amortization of intangible assets and software development costs and reimbursable expenses, both of which are separately presented in our consolidated statements of operations.

Selling, general and administrative expenses consist primarily of compensation costs for our support personnel. Also included in selling, general and administrative expenses are third-party professional fees, software licenses and data hosting expenses, rent and other office related expenses, sales and marketing related expenses, recruiting and training expenses, and practice administration and meetings expenses.

Other operating expenses include restructuring charges, other gains and losses, depreciation expense, and amortization expense related to internally developed software costs and intangible assets acquired in business combinations.

Segment Results

Segment operating income consists of the revenues generated by a segment, less operating expenses that are incurred directly by the segment. Other operating expenses not allocated at the segment level include corporate costs related to administrative functions that are performed in a centralized manner that are not attributable to a particular segment. These administrative function costs include corporate office support costs, office facility costs, costs related to accounting and finance, human resources, legal, marketing, information technology, and company-wide business development functions, and costs related to overall corporate management.

Non-GAAP Measures

We also assess our results of operations using the following non-GAAP financial measures: 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. These non-GAAP financial measures differ from GAAP because they exclude a number of items required by GAAP, each discussed below. These non-GAAP financial 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 GAAP. Our non-GAAP financial measures may be defined differently from time to time and may be defined differently than similar terms used by other companies, and accordingly, care should be exercised in understanding how we define our non-GAAP financial measures.

Our management uses the non-GAAP financial measures to gain an understanding of our comparative operating performance, for example 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 our ongoing business in a manner that allows for meaningful period-to-period comparisons. Management also uses these non-GAAP financial measures when publicly providing our business outlook, for internal management purposes, and as a basis for evaluating potential acquisitions and dispositions. We believe 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 and in comparing in a consistent manner Huron’s current financial results with Huron’s past financial results.

These non-GAAP financial measures include adjustments for the following items:

Amortization of intangible assets: We exclude the effect of amortization of intangible assets from the calculation of adjusted net income, as it is inconsistent in its amount and frequency and is significantly affected by the timing and size of our acquisitions.

Restructuring charges: We have incurred charges due to restructuring various parts of our business. These restructuring charges have primarily consisted of costs associated with office space consolidations, including lease impairment charges and accelerated depreciation on lease-related property and equipment, and employee severance charges. We exclude the effect of the restructuring charges from our non-GAAP measures to permit comparability with periods that were not impacted by these items. We do not include normal, recurring, cash operating expenses in our restructuring charges.

2024 litigation settlement gain: In the second quarter of 2024, we settled a litigation matter for which Huron was the plaintiff for $15.0 million, on a pre-tax basis. This $15.0 million settlement gain was recorded as a component of other gains, net on our consolidated statement of operations. We have excluded from our non-GAAP measures $11.7 million, which is the value of the settlement gain that exceeds the third-party legal costs incurred during 2024 specific to this litigation matter, as this net gain is not indicative of the ongoing performance of our business. Of the $3.3 million third-party legal costs incurred for this matter in the first half of 2024, $2.7 million was incurred in the first quarter and $0.6 million was incurred in the second quarter. Our third-party legal expenses are recorded as a component of selling, general and administrative expenses on our statement of operations. Third-party legal costs incurred for this litigation matter during the three and six months ended June 30, 2023 were $0.4 million and $1.0 million, respectively.

Other losses (gains), net: We exclude the effects of other losses and gains, which primarily relate to changes in the estimated fair value of our liabilities for contingent consideration related to business acquisitions and litigation settlement losses and gains, excluding the 2024 litigation settlement gain presented separately, to permit comparability with periods that are not impacted by these items. These items are recorded as a component of other gains, net on our consolidated statement of operations.

Transaction-related expenses: To permit comparability with prior periods, we exclude the impact of third-party advisory, legal, and accounting fees and other corporate costs incurred directly related to the evaluation and/or consummation of business acquisitions.

Foreign currency transaction losses (gains), net: We exclude the effect of foreign currency transaction losses and gains from the calculation of adjusted EBITDA because the amount of each loss or gain is significantly affected by changes in foreign exchange rates.

Tax effect of adjustments: The non-GAAP income tax adjustment reflects the incremental tax impact applicable to the non-GAAP adjustments.

Income tax expense, interest expense, net of interest income, depreciation and amortization: We exclude the effects of income tax expense, interest expense, net of interest income, and depreciation and amortization in the calculation of EBITDA, as these are customary exclusions as defined by the calculation of EBITDA to arrive at meaningful earnings from core operations excluding the effect of such items. We include, within the depreciation and amortization adjustment, the amortization of capitalized implementation costs of our ERP and other related software, which is included within selling, general and administrative expenses in our consolidated statements of operations.

Revenue-Generating Professionals

Our revenue-generating professionals consist 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.

Utilization Rate

The utilization rate of our revenue-generating professionals 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 working 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 do not present utilization rates for our Managed Services professionals as most of the revenues generated by these employees are not billed on an hourly basis.

RESULTS OF OPERATIONS

Executive Highlights

Highlights from the second quarter of 2024 include:

- Total revenues increased 7.2% to $371.7 million for the second quarter of 2024 from $346.8 million for the second quarter of 2023.
- Diluted EPS increased 59.8% to $2.03 for the second quarter of 2024, compared to $1.27 for the second quarter of 2023. Diluted EPS for the second quarter of 2024 includes a litigation settlement gain related to a completed legal matter for which Huron was the plaintiff, which had a favorable $0.60 impact on diluted EPS.
- Adjusted diluted EPS increased 21.7% to $1.68 for the second quarter of 2024, compared to $1.38 for the second quarter of 2023.
- Net cash provided by operating activities was $107.2 million for the second quarter of 2024, compared to $78.2 million for the second quarter of 2023.
- Returned $96.7 million to shareholders in the first six months of 2024 by repurchasing 1,001,191 shares of our common stock.

Total revenues increased $24.9 million, or 7.2%, to $371.7 million for the second quarter of 2024 from $346.8 million for the second quarter of 2023. The increase in revenues was driven by continued strength in demand for Healthcare's Consulting and Managed Services and Digital capabilities, as well as an increase in demand for Education's Consulting and Managed Services capability, reflecting our focus on accelerating growth in our healthcare and education industries. These increases were partially offset by a decrease in demand for Commercial's Digital capability.

In our Consulting and Managed Services capability, revenues for the second quarter of 2024 increased 10.7%, compared to the second quarter of 2023, and reflected strengthened demand in our Education and Healthcare segments. The utilization rate within our Consulting capability decreased to 73.7% in the second quarter of 2024, compared to 76.0% in the second quarter of 2023.

Revenues within our Digital capability increased 2.5% in the second quarter of 2024, compared to the second quarter of 2023, and reflected strengthened demand in our Healthcare segment, partially offset by a decrease in demand in our Commercial segment. The utilization rate within our Digital capability increased to 75.0% in the second quarter of 2024, compared to 74.7% in the second quarter of 2023.

The total number of revenue-generating professionals increased 13.0% to 5,848 as of June 30, 2024, compared to 5,174 as of June 30, 2023, as a result of hiring to support the overall increase in demand for our services, and includes approximately 70 hires as a result of our acquisition of GG+A in the first quarter of 2024. We proactively plan and manage the size and composition of our workforce and take actions as needed to address changes in the anticipated demand for our services as employee compensation costs are the most significant portion of our operating expenses.

Net income increased $12.8 million, or 51.7%, to $37.5 million for the three months ended June 30, 2024 from $24.7 million for the same period last year. Net income for the second quarter of 2024 includes an $11.1 million litigation settlement gain, net of tax, related to a completed legal matter for which Huron was the plaintiff. As a result of the increase in net income and a reduction in diluted shares outstanding resulting from share repurchases, diluted earnings per share for the second quarter of 2024 increased 59.8% to $2.03, compared to $1.27 for the second quarter of 2023. The litigation settlement gain recognized in the second quarter of 2024 had a favorable $0.60 impact on diluted earnings per share. Adjusted diluted earnings per share increased 21.7% to $1.68 for the second quarter of 2024, compared to $1.38 for the second quarter of 2023.

Net cash provided by operating activities for the second quarter of 2024 was $107.2 million, compared to $78.2 million for the second quarter of 2023. The increase in net cash provided by operating activities was primarily related to an increase in cash collections during the second quarter of 2024 compared to the second quarter of 2023; partially offset by increases in payments for salaries and related expenses for our revenue-generating professionals and selling, general and administrative expenses during the second quarter of 2024 compared to the second quarter of 2023.

In the first six months of 2024, we deployed $96.7 million of capital to repurchase 1,001,191 shares of our common stock, representing 5.4% of our common stock outstanding as of December 31, 2023.

Summary of Results

The following table sets forth, for the periods indicated, selected segment and consolidated operating results and other operating data, including non-GAAP measures.

Segment and Consolidated Operating Results (in thousands, except per share amounts):	**Three Months Ended June 30,**		**Six Months Ended June 30,**	
	2024	**2023**	**2024**	**2023**
Healthcare:				
Revenues	$ 190,098	$ 173,768	$ 370,840	$ 322,817
Operating income	$ 55,246	$ 49,151	$ 97,940	$ 81,406
Segment operating income as a percentage of segment revenues	29.1 %	28.3 %	26.4 %	25.2 %
Education:				
Revenues	$ 122,753	$ 110,694	$ 234,336	$ 214,841
Operating income	$ 30,792	$ 27,397	$ 52,748	$ 50,562
Segment operating income as a percentage of segment revenues	25.1 %	24.8 %	22.5 %	23.5 %
Commercial:				
Revenues	$ 58,803	$ 62,297	$ 122,439	$ 126,996
Operating income	$ 9,015	$ 10,472	$ 23,054	$ 24,539
Segment operating income as a percentage of segment revenues	15.3 %	16.8 %	18.8 %	19.3 %
Total Huron:				
Revenues	$ 371,654	$ 346,759	$ 727,615	$ 664,654
Reimbursable expenses	9,363	8,140	16,787	16,630
Total revenues and reimbursable expenses	$ 381,017	$ 354,899	$ 744,402	$ 681,284
Segment operating income	$ 95,053	$ 87,020	$ 173,742	$ 156,507
Items not allocated at the segment level:				

Segment and Consolidated Operating Results (in thousands, except per share amounts):	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023
Other operating expenses	45,626	43,044	96,565	86,665
Other gains, net	(15,917)	(623)	(14,349)	(188)
Restructuring charges	2,047	502	4,280	2,786
Depreciation and amortization	3,894	4,378	7,922	9,094
Operating income	59,403	39,719	79,324	58,150
Other expense, net	(7,308)	(4,734)	(9,669)	(7,318)
Income before taxes	52,095	34,985	69,655	50,832
Income tax expense	14,613	10,273	14,167	12,701
Net income	$ 37,482	$ 24,712	$ 55,488	$ 38,131
Earnings per share:				
Basic	$ 2.10	$ 1.30	$ 3.08	$ 2.00
Diluted	$ 2.03	$ 1.27	$ 2.96	$ 1.95
Other Operating Data:				
Number of revenue-generating professionals by segment (at period end)[1]:				
Healthcare	2,339	1,852	2,339	1,852
Education	1,243	1,124	1,243	1,124
Commercial [2]	2,266	2,198	2,266	2,198
Total	5,848	5,174	5,848	5,174
Revenue by capability:				
Consulting and Managed Services [3][4]	$ 218,339	$ 197,255	$ 419,898	$ 374,449
Digital	153,315	149,504	307,717	290,205
Total	$ 371,654	$ 346,759	$ 727,615	$ 664,654
Number of revenue-generating professionals by capability (at period end):				
Consulting and Managed Services [3][5]	2,935	2,473	2,935	2,473
Digital	2,913	2,701	2,913	2,701
Total	5,848	5,174	5,848	5,174
Utilization rate by capability [6]:				
Consulting	73.7 %	76.0 %	72.0 %	76.1 %
Digital	75.0 %	74.7 %	74.6 %	72.8 %

(1) During the first quarter of 2024, we reclassified certain revenue-generating professionals within our Digital capability from our Healthcare and Education segments to our Commercial segment as these professionals are able to provide services across all of our industries. This reclassification did not impact the total Digital capability headcount for any period. The prior period headcount has been revised for consistent presentation.

(2) The majority of our revenue-generating professionals within our Commercial segment can provide services across all of our industries, including healthcare and education, and the related costs of these professionals are allocated to each of the segments.

(3) During the first quarter of 2024, we reclassified one of the offerings within Education's Consulting capability to Education's Managed Services capability. Revenues generated by this offering during the quarters ended March 31, 2023, June 30, 2023, September 30, 2023, and December 31, 2023 were $2.8 million, $2.2 million, $2.4 million, and $2.7 million, respectively, and during the years ended December 31, 2022 and 2023 were $15.0 million and $10.1 million, respectively. The number of revenue-generating professionals within this offering as of December 31, 2022, March 31, 2023, June 30, 2023, September 30, 2023 and December 31, 2023 were 54, 24, 24, 24 and 23, respectively.

This reclassification did not impact the aggregate revenues or headcount reported for the Education Consulting and Managed Services capability for any period, and the prior period Education Managed Services capability revenues and headcount in the following footnotes have been revised for consistent presentation.

(4) Managed Services capability revenues within our Healthcare segment was $16.7 million and $17.3 million for the three months ended June 30, 2024 and 2023, respectively; and $34.2 million and $37.1 million for the six months ended June 30, 2024 and 2023, respectively.

Managed Services capability revenues within our Education segment was $6.8 million and $7.1 million for the three months ended June 30, 2024 and 2023, respectively; and $14.2 million and $14.5 million for the six months ended June 30, 2024 and 2023, respectively.

(5) The number of Managed Services revenue-generating professionals within our Healthcare segment was 1,116 and 772 as of June 30, 2024 and 2023, respectively.

The number of Managed Services revenue-generating professionals within our Education segment was 128 and 130 as of June 30, 2024 and 2023, respectively.

(6) Utilization rates are presented for our revenue-generating professionals who primarily bill on an hourly basis. We do not present utilization rates for our Managed Services professionals as most of the revenues generated by these employees are not billed on an hourly basis.

Non-GAAP Measures

Reconciliation of Net Income to EBITDA and Adjusted EBITDA

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Revenues	$ 371,654	$ 346,759	$ 727,615	$ 664,654
Net income	$ 37,482	$ 24,712	$ 55,488	$ 38,131
Add back:				
Income tax expense	14,613	10,273	14,167	12,701
Interest expense, net of interest income	7,954	5,796	13,094	10,099
Depreciation and amortization	6,244	6,330	12,425	12,883
EBITDA	66,293	47,111	95,174	73,814
Add back:				
Restructuring charges	2,056	1,699	4,393	3,983
2024 litigation settlement gain	(11,701)	—	(11,701)	—
Other losses (gains), net	(917)	(623)	651	(188)
Transaction-related expenses	103	—	1,600	—
Foreign currency transaction losses (gains), net	(150)	288	(615)	368
Adjusted EBITDA	$ 55,684	$ 48,475	$ 89,502	$ 77,977
Adjusted EBITDA as a percentage of revenues	15.0 %	14.0 %	12.3 %	11.7 %

Reconciliation of Net Income to Adjusted Net Income and Adjusted Diluted Earnings per Share

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net income	$ 37,482	$ 24,712	$ 55,488	$ 38,131
Weighted average shares - diluted	18,454	19,486	18,741	19,598
Diluted earnings per share	$ 2.03	$ 1.27	$ 2.96	$ 1.95
Add back:				
Amortization of intangible assets	1,627	1,974	3,317	4,205
Restructuring charges	2,056	1,699	4,393	3,983
2024 litigation settlement gain	(11,701)	—	(11,701)	—
Other losses (gains), net	(917)	(623)	651	(188)
Transaction-related expenses	103	—	1,600	—
Tax effect of adjustments	2,296	(808)	452	(2,120)
Total adjustments, net of tax	(6,536)	2,242	(1,288)	5,880
Adjusted net income	$ 30,946	$ 26,954	$ 54,200	$ 44,011
Adjusted weighted average shares - diluted	18,454	19,486	18,741	19,598
Adjusted diluted earnings per share	$ 1.68	$ 1.38	$ 2.89	$ 2.25

Three Months Ended June 30, 2024 Compared to Three Months Ended June 30, 2023

Revenues

Revenues by segment and capability for the three months ended June 30, 2024 and 2023 were as follows:

Revenues (in thousands)	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	Increase / (Decrease) $	Increase / (Decrease) %
Segment:				
Healthcare	$ 190,098	$ 173,768	$ 16,330	9.4 %
Education	122,753	110,694	12,059	10.9 %
Commercial	58,803	62,297	(3,494)	(5.6)%
Total revenues	$ 371,654	$ 346,759	$ 24,895	7.2 %
Capability:				
Consulting and Managed Services	$ 218,339	$ 197,255	$ 21,084	10.7 %
Digital	153,315	149,504	3,811	2.5 %
Total revenues	$ 371,654	$ 346,759	$ 24,895	7.2 %

Revenues increased $24.9 million, or 7.2%, to $371.7 million for the second quarter of 2024 from $346.8 million for the second quarter of 2023. The overall increase in revenues was driven by continued strength in demand for Healthcare's Consulting and Managed Services and Digital capabilities, as well as an increase in demand for Education's Consulting and Managed Services capability, reflecting our focus on accelerating growth in our healthcare and education industries. These increases in demand were partially offset by a decrease in demand for Commercial's Digital capability. Additional information on our revenues by segment follows.

- **Healthcare** revenues increased $16.3 million, or 9.4%, driven by continued strength in demand for our performance improvement, culture and organizational excellence, and strategy and innovation solutions within our Consulting and Managed Services capability, as well as an increase in demand for our technology and analytics services within our Digital capability. These increases in demand were partially offset by a decrease in demand for our financial advisory solutions within our Consulting and Managed Services capability. Revenues in the second quarter of 2024 included $0.3 million of incremental revenues from our acquisition of Roundtable Analytics completed in September 2023.

  The number of revenue-generating professionals within our Healthcare segment grew 26.3% to 2,339 as of June 30, 2024, compared to 1,852 as of June 30, 2023.

- **Education** revenues increased $12.1 million, or 10.9%, and includes $6.8 million of incremental revenues from our acquisition of GG+A completed in March 2024. The increase in Education revenues was also driven by increases in demand for our strategy and operations solution within our Consulting and Managed Services capability and our software products within our Digital capability.

  The number of revenue-generating professionals within our Education segment grew 10.6% to 1,243 as of June 30, 2024, compared to 1,124 as of June 30, 2023. Our acquisition of GG+A in March 2024 added approximately 70 revenue-generating professionals.

- **Commercial** revenues decreased $3.5 million, or 5.6%, primarily due to a decrease in demand for our technology and analytics services within our Digital capability, partially offset by an increase in demand for our financial advisory solutions within our Consulting and Managed Services capability.

  The number of revenue-generating professionals within our Commercial segment grew 3.1% to 2,266 as of June 30, 2024, compared to 2,198 as of June 30, 2023.

Operating Expenses

Operating expenses for the second quarter of 2024 increased $6.4 million, or 2.0%, over the second quarter of 2023.

Operating expenses and operating expenses as a percentage of revenues were as follows:

Operating Expenses (in thousands, except amounts as a percentage of revenues)	Three Months Ended June 30, 2024			Three Months Ended June 30, 2023			Increase / (Decrease)	
Direct costs	$	248,605	66.9%	$	235,198	67.8%	$	13,407
Reimbursable expenses		9,427	2.5%		8,121	2.3%		1,306
Selling, general and administrative expenses		71,410	19.2%		64,642	18.6%		6,768
Other gains, net		(15,917)	(4.3)%		(623)	(0.1)%		(15,294)
Restructuring charges		2,056	0.6%		1,699	0.5%		357
Depreciation and amortization		6,033	1.6%		6,143	1.8%		(110)
Total operating expenses	$	321,614	86.5%	$	315,180	90.9%	$	6,434

Direct Costs

Direct costs increased $13.4 million, or 5.7%, to $248.6 million for the second quarter of 2024 from $235.2 million for the second quarter of 2023. The $13.4 million increase primarily related to a $20.0 million increase in compensation costs for our revenue-generating professionals and a $1.1 million increase in technology costs, partially offset by a $6.5 million decrease in contractor expenses. The increase in compensation costs reflects our investment to grow our talented team to meet increased market demand and is primarily attributable to a $20.7 million increase in salaries and related expenses driven by increased headcount and annual salary increases that went into effect in the first quarter of 2024. As a percentage of revenues, direct costs decreased to 66.9% during the second quarter of 2024, compared to 67.8% during the second quarter of 2023. This decrease was primarily due to the decrease in contractor expenses; partially offset by an increase in compensation costs for our revenue-generating professionals, as a percentage of revenues.

Reimbursable Expenses

Reimbursable expenses are billed to clients at cost and primarily relate to travel and out-of-pocket expenses incurred in connection with client engagements. These expenses are also included in total revenues and reimbursable expenses. We manage our business on the basis of revenues before reimbursable expenses, which we believe is the most accurate reflection of our services because it eliminates the effect of reimbursable expenses that are also included as a component of operating expenses.

Selling, General and Administrative Expenses

Selling, general and administrative expenses increased by $6.8 million, or 10.5%, to $71.4 million in the second quarter of 2024 from $64.6 million in the second quarter of 2023. The $6.8 million increase primarily related to a $5.1 million increase in non-payroll costs, driven by a $2.3 million increase in bad debt expense, a $1.5 million increase in software and data hosting expense, and a $1.7 million increase in compensation costs for our support personnel. The increase in compensation costs for our support personnel was primarily driven by a $3.1 million increase in salaries and related expenses driven by increased headcount and annual salary increases that went into effect in the first quarter of 2024, partially offset by a $0.8 million decrease in performance bonus expense. As a percentage of revenues, selling, general and administrative expenses increased to 19.2% during the second quarter of 2024, compared to 18.6% during the second quarter of 2023, primarily attributable to an increase in bad debt expense, as a percentage of revenues.

Other Gains, Net

Other gains, net totaled $15.9 million in the second quarter of 2024 compared to $0.6 million in the second quarter of 2023. The $15.9 million of other gains, net in the second quarter of 2024 consisted of a pre-tax $15.0 million litigation settlement gain for a completed legal matter for which Huron was the plaintiff, as well as $0.9 million of remeasurement gains to decrease the fair value of our contingent consideration liabilities related to business combinations. The $0.6 million of other gains, net in the second quarter of 2023 primarily consisted of remeasurement gains to decrease the fair value of our contingent consideration liabilities related to business combinations.

See Note 10 “Fair Value of Financial Instruments” within the notes to our consolidated financial statements for additional information on the fair value of contingent consideration liabilities.

Restructuring Charges

Restructuring charges for the second quarter of 2024 were $2.1 million, compared to $1.7 million for the second quarter of 2023. In the second quarter of 2024, we exited the office space previously occupied by GG+A, which resulted in a $1.4 million non-cash impairment charge on the related right-of-use operating lease asset and fixed assets of that office space. Additionally, in the second quarter of 2024, we recognized $0.6 million of restructuring expense for rent and related expenses, net of sublease income, for previously vacated office spaces.

The $1.7 million of restructuring charges recognized in the second quarter of 2023 included $0.9 million of employee-related expenses; $0.3 million related to the abandonment of a capitalized software development project; $0.2 million of rent and related expenses, net of sublease income, for previously vacated office spaces; and $0.2 million related to non-cash lease impairment charges driven by updated sublease assumptions for previously vacated office spaces.

Depreciation and Amortization

Depreciation and amortization expense decreased $0.1 million, or 1.8%, to $6.0 million in the second quarter of 2024, compared to $6.1 million in the second quarter of 2023. The $0.1 million decrease in depreciation and amortization expense was primarily attributable to intangible assets acquired in business acquisitions that were fully amortized in prior periods and a decrease in amortization of intangible assets acquired in business acquisitions due to the accelerated basis of amortization in prior periods, partially offset by an an increase in amortization of intangible assets acquired in business acquisitions completed subsequent to the second quarter of 2023.

Operating Income and Operating Margin

Operating income increased $19.7 million, or 49.6%, to $59.4 million in the second quarter of 2024 from $39.7 million in the second quarter of 2023. Operating margin, which is defined as operating income expressed as a percentage of revenues was 16.0% for the three months ended June 30, 2024, compared to 11.5% for the three months ended June 30, 2023.

Operating income and operating margin for each of our segments is as follows. See the Segment and Consolidated Operating Results table above for a reconciliation of our total segment operating income to consolidated Huron operating income.

Segment Operating Income (in thousands, except operating margin percentages)	Three Months Ended June 30,			Increase / (Decrease)
	2024		2023		
Healthcare	$ 55,246	29.1%	$ 49,151	28.3%	$ 6,095
Education	30,792	25.1%	27,397	24.8%	3,395
Commercial	9,015	15.3%	10,472	16.8%	(1,457)
Total segment operating income	$ 95,053		$ 87,020		$ 8,033

- **Healthcare** operating income increased $6.1 million, or 12.4%, primarily due to the increase in revenues and a decrease in contractor expenses; partially offset by increases in compensation costs for our revenue-generating professionals and bad debt expense. The increase in compensation costs for our revenue-generating professionals was primarily driven by an increase in headcount, annual salary increases that went into effect in the first quarter of 2024, and an increase in performance bonus expense. Healthcare operating margin increased to 29.1% from 28.3% primarily due to the decrease in contractor expenses; partially offset by increases in compensation costs for our revenue-generating professionals and bad debt expense, as percentages of revenues.
- **Education** operating income increased $3.4 million, or 12.4%, primarily due to the increase in revenues; partially offset by increases in compensation costs for our revenue-generating professionals and support personnel. The increases in compensation costs for our revenue-generating professionals and support personnel were primarily driven by an increase in headcount and annual salary increases that went into effect in the first quarter of 2024, partially offset by a decrease in performance bonus expenses for our revenue-generating professionals. Education operating margin increased to 25.1% from 24.8% primarily driven by revenue growth that outpaced the increase in compensation costs for our revenue-generating professionals and a decrease in contractor expenses; partially offset by an increase in compensation costs for our support personnel, as a percentage of revenue.
- **Commercial** operating income decreased $1.5 million, or 14%, primarily due to the decrease in revenues, partially offset by decreases in restructuring charges and contractor expenses. Commercial operating margin decreased to 15.3% from 16.8% primarily due to an increase in compensation costs for our revenue-generating professionals, as a percentage of revenues; partially offset by decreases in restructuring charges and contractor expenses, as percentages of revenues.

Other Income (Expense), Net

Interest expense, net of interest income increased $2.2 million to $8.0 million in the second quarter of 2024 from $5.8 million in the second quarter of 2023, which was primarily attributable to higher interest rates and higher levels of borrowing under our Amended Credit Facility during the second quarter of 2024 compared to the second quarter of 2023. See “Liquidity and Capital Resources” below and Note 7 “Financing Arrangements” within the notes to our consolidated financial statements for additional information about our Amended Credit Facility.

Other income, net decreased $0.4 million to $0.6 million in the second quarter of 2024 from $1.1 million in the second quarter of 2023. The decrease in other income, net includes a $0.9 million decrease in the gain recognized for the market value of our investments that are used to fund our deferred compensation liability, partially offset by a $0.5 million increase in foreign currency transaction gains. During the second quarter of 2024 we recognized a $0.5 million gain for the market value of our deferred compensation investments compared to a $1.3 million gain recognized in the second quarter of 2023.

Income Tax Expense

For the three months ended June 30, 2024, our effective tax rate was 28.1% as we recognized income tax expense of $14.6 million on income of $52.1 million. The effective tax rate of 28.1% was less favorable than the statutory rate, inclusive of state income taxes, of 26.1%, primarily due to certain nondeductible expense items.

For the three months ended June 30, 2023, our effective tax rate was 29.4% as we recognized income tax expense of $10.3 million on income of $35.0 million. The effective tax rate of 29.4% was less favorable than the statutory rate, inclusive of state income taxes, of 26.6%, primarily due to certain nondeductible expense items, partially offset by a tax benefit related to non-taxable gains on our investments used to fund our deferred compensation liability.

Net Income and Earnings per Share

Net income increased $12.8 million, or 51.7%, to $37.5 million for the three months ended June 30, 2024 from $24.7 million for the same period last year, driven by the $11.1 million litigation settlement gain, net of tax, recognized in the second quarter of 2024 related to a completed legal matter for which Huron was the plaintiff. Diluted earnings per share for the second quarter of 2024 increased to $2.03 from $1.27 for the second quarter of 2023, driven by the increase in net income and a reduction in diluted shares outstanding resulting from share repurchases made under our share repurchase plan.

EBITDA and Adjusted EBITDA

EBITDA increased $19.2 million to $66.3 million for the second quarter of 2024 from $47.1 million for the second quarter of 2023. The increase in EBITDA was primarily attributable to the pre-tax $15.0 million litigation settlement gain recognized for a completed legal matter for which Huron was the plaintiff, as well as the increase in segment operating income.

Adjusted EBITDA increased $7.2 million to $55.7 million in the second quarter of 2024 from $48.5 million in the second quarter of 2023. The increase in adjusted EBITDA was primarily attributable to the increase in segment operating income, excluding the impact of segment restructuring charges.

Adjusted Net Income and Adjusted Earnings per Share

Adjusted net income increased $4.0 million, or 14.8%, to $30.9 million in the second quarter of 2024, compared to $27.0 million in the second quarter of 2023. As a result of the increase in adjusted net income as well as a reduction in diluted shares outstanding resulting from share repurchases made under our share repurchase plan, adjusted diluted earnings per share increased to $1.68 for the second quarter of 2024 compared to $1.38 for the second quarter of 2023.

Six Months Ended June 30, 2024 Compared to Six Months Ended June 30, 2023

Revenues

Revenues by segment and capability for the six months ended June 30, 2024 and 2023 were as follows:

	Six Months Ended June 30,		Increase / (Decrease)	
Revenues (in thousands)	**2024**	**2023**	**$**	**%**
Segment:				
Healthcare	$ 370,840	$ 322,817	$ 48,023	14.9 %
Education	234,336	214,841	19,495	9.1 %
Commercial	122,439	126,996	(4,557)	(3.6)%
Total revenues	$ 727,615	$ 664,654	$ 62,961	9.5 %
Capability:				
Consulting and Managed Services	$ 419,898	$ 374,449	$ 45,449	12.1 %
Digital	307,717	290,205	17,512	6.0 %
Total revenues	$ 727,615	$ 664,654	$ 62,961	9.5 %

Revenues increased $63.0 million, or 9.5%, to $727.6 million for the first six months of 2024 from $664.7 million for the first six months of 2023. The overall increase in revenues reflects continued strength in demand for both our Consulting and Managed Services capability and Digital capability within Healthcare and Education, and reflects our focus on accelerating growth in our healthcare and education industries. These increases in demand were partially offset by a decrease in demand for Commercial's Digital capability. Additional information on our revenues by segment follows.

- **Healthcare** revenues increased $48.0 million, or 14.9%, driven by continued strength in demand for our performance improvement, strategy and innovation and culture and organizational excellence solutions within our Consulting and Managed Services capability, as well as strengthened demand for our technology and analytics services within our Digital capability. These increases in demand were partially offset by a decrease in demand for our revenue cycle managed services solution within our Consulting and Managed services capability. Revenues in the first six months of 2024 included $0.5 million of incremental revenues from our acquisition of Roundtable Analytics completed in September 2023.

  The number of revenue-generating professionals within our Healthcare segment grew 26.3% to 2,339 as of June 30, 2024, compared to 1,852 as of June 30, 2023.

- **Education** revenues increased $19.5 million, or 9.1%, and includes $8.1 million of incremental revenues from our acquisition of GG+A completed in March 2024. The increase in Education revenues was also driven by increases in demand for our strategy and operations solutions within our Consulting and Managed Services capability and our software products and technology and analytics services within our Digital capability.

  The number of revenue-generating professionals within our Education segment grew 10.6% to 1,243 as of June 30, 2024, compared to 1,124 as of June 30, 2023. Our acquisition of GG+A in March 2024 added approximately 70 revenue-generating professionals.

- **Commercial** revenues decreased $4.6 million, or 3.6%, primarily due to decreases in demand for our technology and analytics services within our Digital capability and our strategy and innovation solution within our Consulting and Managed Services capability, partially offset by an increase in demand for our financial advisory solutions within our Consulting and Managed Services capability.

  The number of revenue-generating professionals within our Commercial segment grew 3.1% to 2,266 as of June 30, 2024, compared to 2,198 as of June 30, 2023.

Operating Expenses

Operating expenses for the first six months of 2024 increased $41.9 million, or 6.7%, over the first six months of 2023.

Operating expenses and operating expenses as a percentage of revenues were as follows:

Operating Expenses (in thousands, except amounts as a percentage of revenues)	Six Months Ended June 30, 2024		Six Months Ended June 30, 2023		Increase / (Decrease)
Direct costs	$ 501,908	69.0%	$ 463,581	69.7%	$ 38,327
Reimbursable expenses	17,011	2.3%	16,745	2.5%	266
Selling, general and administrative expenses	144,110	19.8%	126,496	19.0%	17,614
Other gains, net	(14,349)	(2.0)%	(188)	—%	(14,161)
Restructuring charges	4,393	0.6%	3,983	0.6%	410
Depreciation and amortization	12,005	1.6%	12,517	2.0%	(512)
Total operating expenses	$ 665,078	91.4%	$ 623,134	93.8%	$ 41,944

Direct Costs

Direct costs increased $38.3 million, or 8.3%, to $501.9 million for the first six months of 2024 from $463.6 million for the first six months of 2023. The $38.3 million increase primarily related to a $43.5 million increase in compensation costs for our revenue-generating professionals and a $2.2 million increase in technology costs, partially offset by a $5.9 million decrease in contractor expenses. The $43.5 million increase in compensation costs reflects our investment to grow our talented team to meet increased market demand and is primarily attributable to a $41.2 million increase in salaries and related expenses driven by increased headcount and annual salary increases that went into effect in the first quarter of 2024, a $1.8 million increase in performance bonus expense, and a $1.7 million increase in share-based compensation expense; partially offset by a $1.2 million decrease in signing, retention and other bonus expense. As a percentage of revenues, direct costs decreased to 69.0% during the first six months of 2024, compared to 69.7% during the first six months of 2023, primarily attributable to the decrease in contractor expenses.

Reimbursable Expenses

Reimbursable expenses are billed to clients at cost and primarily relate to travel and out-of-pocket expenses incurred in connection with client engagements. These expenses are also included in total revenues and reimbursable expenses. We manage our business on the basis of revenues before reimbursable expenses, which we believe is the most accurate reflection of our services because it eliminates the effect of reimbursable expenses that are also included as a component of operating expenses.

Selling, General and Administrative Expenses

Selling, general and administrative expenses increased by $17.6 million, or 13.9%, to $144.1 million in the first six months of 2024 from $126.5 million in the first six months of 2023. The $17.6 million increase primarily related to a $12.7 million increase in non-payroll costs, driven by a $4.0 million increase in legal expenses, a $3.2 million increase in practice administration and meetings expenses, a $2.3 million increase in bad debt expense, and a $2.1 million increase in software and data hosting expenses. The increase in legal expenses is driven by professional fees for a completed legal matter for which Huron was the plaintiff as well as professional fees for acquisition activity. Additionally, selling, general and administrative expenses increased $5.0 million due to an increase in compensation costs for our support personnel driven by a $6.9 increase in salaries and related expenses, partially offset by a $1.4 million decrease in performance bonus expense. As a percentage of revenues, selling, general and administrative expenses increased to 19.8% during the first six months of 2024, compared to 19.0% during the first six months of 2023. This increase was primarily attributable to increases in legal expenses and practice administration and meetings expenses, as percentages of revenues.

Other Gains, Net

Other gains, net totaled $14.3 million in the first six months of 2024 and $0.2 million in the first six months of 2023. The $14.3 million of other gains, net in the first six months of 2024 primarily consisted of a pre-tax $15.0 million litigation settlement gain for a completed legal matter for which Huron was the plaintiff. The $0.2 million of other gains, net in the first six months of 2023 primarily consisted of remeasurement gains to decrease the fair value of our contingent consideration liabilities related to business combinations.

See Note 10 “Fair Value of Financial Instruments” within the notes to our consolidated financial statements for additional information on the fair value of contingent consideration liabilities.

Restructuring Charges

Restructuring charges for the first six months of 2024 were $4.4 million, compared to $4.0 million for the first six months of 2023. In the second quarter of 2024, we exited the office space previously occupied by GG+A, which resulted in a $1.4 million non-cash impairment charge on the related right-of-use operating lease asset and fixed assets of that office space. Additionally, in the first six months of 2024, we recognized $1.1 million of rent and related expenses, net of sublease income, for previously vacated office spaces; $1.0 million of severance-related expenses; and $0.8 million related to non-cash lease impairment charges driven by updated sublease assumptions for our previously vacated office spaces.

The $4.0 million of restructuring charges incurred in the first six months of 2023 included a $1.9 million non-cash impairment charge on the fixed assets and right-of-use operating lease asset related to our office space in Hillsboro, Oregon, which we exited in the first quarter of 2023; $0.9 million of employee-related expenses; $0.6 million for rent and related expenses, net of sublease income, for previously vacated office spaces; $0.3 million related to the abandonment of a capitalized software development project; and $0.2 million related to non-cash lease impairment charges driven by updated sublease assumptions for previously vacated office spaces.

Depreciation and Amortization

Depreciation and amortization expense decreased $0.5 million, or 4.1%, to $12.0 million for the first six months of 2024, compared to $12.5 million for first six months of 2023. The $0.5 million decrease in depreciation and amortization expense was primarily attributable to intangible assets acquired in business acquisitions that were fully amortized in prior periods and a decrease in the amortization of intangible assets acquired in business acquisitions due to the accelerated basis of amortization in prior periods, partially offset by an an increase in amortization of intangible assets acquired in business acquisitions completed subsequent to the second quarter of 2023.

Operating Income and Operating Margin

Operating income increased $21.2 million to $79.3 million in the first six months of 2024 from $58.2 million in the first six months of 2023. Operating margin, which is defined as operating income expressed as a percentage of revenues, increased to 10.9% for the first six months of 2024, compared to 8.7% for the first six months of 2023.

Operating income and operating margin for each of our segments is as follows. See the Segment and Consolidated Operating Results table above for a reconciliation of our total segment operating income to consolidated Huron operating income.

Segment Operating Income (in thousands, except operating margin percentages)	Six Months Ended June 30, 2024		2023		Increase / (Decrease)
Healthcare	$ 97,940	26.4%	$ 81,406	25.2%	$ 16,534
Education	52,748	22.5%	50,562	23.5%	2,186
Commercial	23,054	18.8%	24,539	19.3%	(1,485)
Total segment operating income	$ 173,742		$ 156,507		$ 17,235

- **Healthcare** operating income increased $16.5 million, or 20.3%, primarily due to the increase in revenues and a decrease in contractor expenses; partially offset by increases in compensation costs for our revenue-generating professionals, practice administration and meetings expenses, bad debt expense, technology costs, and compensation costs for our support personnel. The increases in compensation costs for our revenue-generating professionals and support personnel were primarily driven by an increase in headcount and annual salary increases that went into effect in the first quarter of 2024, as well as increases in performance bonus expense and share-based compensation expense for our revenue-generating professionals. Healthcare operating margin increased to 26.4% from 25.2% primarily due to the decrease in contractor expenses; partially offset by increases in practice administration and meetings expenses and bad debt expense, as percentages of revenues.

- **Education** operating income increased $2.2 million, or 4.3%, primarily due to the increase in revenues as well as a decrease in contractor expenses; partially offset by increases in compensation costs for our revenue-generating professionals and support personnel and technology costs. The increases in compensation costs for our revenue-generating professionals and support personnel were primarily driven by an increase in headcount and annual salary increases that went into effect in the first quarter of 2024; partially offset by a decrease in performance bonus expense for our revenue-generating professionals. Education operating margin decreased to 22.5% from 23.5% primarily driven by increases in compensation costs for our revenue-generating professionals and support personnel, as percentages of revenues; partially offset by the decrease in contractor expenses.

- **Commercial** operating income decreased $1.5 million, or 6.1%, primarily due to the decrease in revenues, partially offset by decreases in restructuring charges and compensation costs for our revenue-generating professionals. The decrease in compensation costs for our revenue-generating professionals was primarily driven by a decrease in performance bonus expense. Commercial operating margin decreased to 18.8% from 19.3% primarily driven by an increase in compensation costs for our revenue-generating professionals, as a percentage of revenues; partially offset by a decrease in restructuring charges, as a percentage of revenues.

Other Income (Expense), Net

Interest expense, net of interest income increased $3.0 million to $13.1 million in the first six months of 2024 from $10.1 million in the first six months of 2023, which was primarily attributable to higher interest rates and higher levels of borrowing under our Amended Credit Facility during the first six months of 2024 compared to the first six months of 2023. See “Liquidity and Capital Resources” below and Note 7 “Financing Arrangements” within the notes to our consolidated financial statements for additional information about our senior secured credit facility.

Other income, net increased $0.6 million to $3.4 million in the first six months of 2024 from $2.8 million in the first six months of 2023. The increase in other income, net was primarily attributable to a $1.0 million increase in foreign currency transaction gains, partially offset by a $0.3 million decrease in the gain recognized for the market value of our investments that are used to fund our deferred compensation liability. During the first six months of 2024, we recognized a $2.8 million gain for the market value of our deferred compensation investments compared to a $3.1 million gain recognized in the first six months of 2023.

Income Tax Expense

For the six months ended June 30, 2024, our effective tax rate was 20.3% as we recognized income tax expense of $14.2 million on income of $69.7 million. The effective tax rate of 20.3% was more favorable than the statutory rate, inclusive of state income taxes, of 26.1%, primarily due to a discrete tax benefit for share-based compensation awards that vested during the first quarter of 2024 and a tax benefit related to non-taxable gains on our investments used to fund our deferred compensation liability. These favorable items were partially offset by certain nondeductible expense items.

For the six months ended June 30, 2023, our effective tax rate was 25.0% as we recognized income tax expense of $12.7 million on income of $50.8 million. The effective tax rate of 25.0% was more favorable than the statutory rate, inclusive of state income taxes, of 26.6%, primarily due to a discrete tax benefit for share-based compensation awards that vested during the first quarter of 2023 and a tax benefit related to non-taxable gains on our investments used to fund our deferred compensation liability. These favorable items were partially offset by certain nondeductible expense items.

Net Income from Continuing Operations and Earnings per Share

Net income increased $17.4 million, or 45.5%, to $55.5 million for the six months ended June 30, 2024 from $38.1 million for the same period last year. Net income for the first six months of 2024 includes the $11.1 million litigation settlement gain, net of tax, recognized in the second quarter of 2024 related to a completed legal matter for which Huron was the plaintiff. Diluted earnings per share for the six months ended June 30, 2024 increased to $2.96 compared to $1.95 for the six months ended June 30, 2023, driven by the increase in net income and a reduction in diluted shares outstanding resulting from share repurchases made under our share repurchase plan.

EBITDA and Adjusted EBITDA

EBITDA increased $21.4 million to $95.2 million for the six months ended June 30, 2024 from $73.8 million for the six months ended June 30, 2023. The increase in EBITDA was primarily attributable to the increase in segment operating income, as well as the pre-tax $15.0 million litigation settlement gain recognized for a completed legal matter for which Huron was the plaintiff; partially offset by the increase in corporate expenses, excluding the impact of the change in the market value of our deferred compensation liability.

Adjusted EBITDA increased $11.5 million to $89.5 million in the first six months of 2024 from $78.0 million in the first six months of 2023. The increase in adjusted EBITDA was primarily attributable to the increase in segment operating income, excluding the impact of segment restructuring charges; partially offset by the increase in corporate expenses, excluding the impacts of the change in the market value of our deferred compensation liability, corporate restructuring charges and transaction-related expenses.

Adjusted Net Income from Continuing Operations and Adjusted Earnings per Share

Adjusted net income increased $10.2 million, or 23.2%, to $54.2 million in the first six months of 2024 compared to $44.0 million in the first six months of 2023. Adjusted diluted earnings per share increased to $2.89 for the six months ended June 30, 2024, compared to $2.25 for the six months ended June 30, 2023, driven by the increase in adjusted net income and a reduction in diluted shares outstanding resulting from share repurchases made under our share repurchase plan.

LIQUIDITY AND CAPITAL RESOURCES

Cash and cash equivalents were $17.6 million and $12.1 million at June 30, 2024 and December 31, 2023, respectively. As of June 30, 2024, our primary sources of liquidity are cash on hand, cash flows from our U.S. operations, and borrowing capacity available under our credit facility.

	Six Months Ended June 30,	
Cash Flows (in thousands):	**2024**	**2023**
Net cash used in operating activities	$ (23,503)	$ (13,880)
Net cash used in investing activities	(39,677)	(15,763)
Net cash provided by financing activities	68,726	34,333
Effect of exchange rate changes on cash	(49)	59
Net increase in cash and cash equivalents	$ 5,497	$ 4,749

Operating Activities

Our operating assets and liabilities consist primarily of receivables from billed and unbilled services, accounts payable and accrued expenses, accrued payroll and related benefits, operating lease obligations and deferred revenues. The volume of services rendered and the related billings and timing of collections on those billings, as well as payments of our accounts payable and salaries, bonuses, and related benefits to employees affect these account balances. Our purchase obligations primarily consist of payments for software and other information technology products to support our business and corporate infrastructure.

Net cash used in operating activities increased by $9.6 million to $23.5 million for the six months ended June 30, 2024 from $13.9 million for the six months ended June 30, 2023. The increase in net cash used in operating activities was primarily related to an increase in the amount paid for annual performance bonuses in the first quarter of 2024 compared to the first quarter of 2023, as well as increases in payments for salaries and related expenses for our revenue-generating professionals and selling, general and administrative expenses; partially offset by an increase in cash collections in the first six months of 2024 compared to the same prior year period.

Investing Activities

Our investing activities primarily consist of purchases of complementary businesses; purchases of property and equipment, primarily related to computers and related equipment for our employees and leasehold improvements and furniture and fixtures for office spaces; payments related to internally developed cloud-based software sold to our clients; and investments. Our investments include a convertible note investment in Shorelight Holdings, LLC, a preferred stock investment in a hospital-at-home company, and investments in life insurance policies that are used to fund our deferred compensation liability.

Net cash used in investing activities was $39.7 million for the six months ended June 30, 2024, which primarily consisted of $20.8 million for the purchases of businesses; $14.1 million for payments related to internally developed software to advance our Healthcare and Education software products; $3.7 million for purchases of property and equipment, primarily related to purchases of computers and related equipment and leasehold improvements for certain office spaces; and $1.4 million for contributions to our life insurance policies.

Net cash used in investing activities was $15.8 million for the six months ended June 30, 2023, which primarily consisted of $13.0 million for payments related to internally developed software to advance our Healthcare and Education software products; $3.7 million for purchases of property and equipment, primarily related to purchases of computers and related equipment; and $2.2 million for contributions to our life insurance polices. These uses of cash for investing activities were partially offset by $3.0 million of cash received for distributions from our life insurance policies that are used to fund our deferred compensation liability.

We estimate that cash utilized for purchases of property and equipment and software development in 2024 will total approximately $35 million to $40 million; primarily consisting of software development costs, leasehold improvements and furniture and fixtures for certain office locations, and information technology related equipment to support our corporate infrastructure.

Financing Activities

Our financing activities primarily consist of borrowings and repayments under our senior secured credit facility, share repurchases, shares redeemed for employee tax withholdings upon vesting of share-based compensation, and payments for contingent consideration liabilities related to business acquisitions. See “Financing Arrangements” below for additional information on our senior secured credit facility.

Net cash provided by financing activities was $68.7 million for the six months ended June 30, 2024. During the six months ended June 30, 2024, we borrowed $618.5 million and made repayments on our borrowings of $430.9 million. The borrowings and repayments during the first three months of 2024 include the $275.0 million Term Loan proceeds which were used to repay borrowings under the Revolver. The net borrowings of $187.6 million were primarily used to fund our operations, including our annual performance bonus payments in the first quarter of 2024. Additionally, during the first six months of 2024, we paid $97.3 million for the settlement of share repurchases and we reacquired $21.1 million of common stock as a result of tax withholdings upon vesting of share-based compensation. We also made payments of $1.4 million for debt issuance costs related to the Term Loan. These uses of cash for financing activities were partially offset by $1.2 million of cash received from stock option exercises in the first six months of 2024.

Net cash provided by financing activities was $34.3 million for the six months ended June 30, 2023. During the six months ended June 30, 2023, we borrowed $230.0 million primarily to fund our operations, including our annual performance bonus payment in the first quarter of 2023, and made repayments on our borrowings of $125.0 million. Additionally, during the first six months of 2023, we paid $60.4 million for the settlement of share repurchases and we reacquired $9.7 million of common stock as a result of tax withholdings upon vesting of share-based compensation. We also made deferred acquisition payments of $1.5 million to the sellers of certain businesses we acquired. These payments were primarily the result of achieving specified financial performance targets in accordance with the related purchase agreements.

Share Repurchase Program

In November 2020, our board of directors authorized a share repurchase program permitting us to repurchase up to $50 million of our common stock through December 31, 2021.The share repurchase program has been subsequently extended and increased, most recently in the second quarter of 2024. The current authorization extends the share repurchase program through December 31, 2025 with a repurchase amount of $500 million, of which $89.9 million remains available as of June 30, 2024. The amount and timing of repurchases under the share repurchase program were and will continue to be determined by management and depend on a variety of factors, including the trading price of our common stock, capacity under our credit facility, general market and business conditions, and applicable legal requirements.

Financing Arrangements

At June 30, 2024, we had $511.6 million outstanding under our Amended Credit Agreement, as discussed below.

The Company has a $600 million senior secured revolving credit facility (the “Revolver”) and a $275 million senior secured term loan facility (the “Term Loan”), subject to the terms of the Third Amended and Restated Credit Agreement dated as of November 15, 2022 (as amended, the “Amended Credit Agreement”), both of which fully mature on November 15, 2027. The Term Loan was established in February 2024 with the execution of Amendment No. 2 to the Third Amended and Restated Credit Agreement. The Term Loan is subject to scheduled quarterly amortization payments of $3.4 million beginning June 30, 2024 through the maturity date of November 15, 2027, at which time the outstanding principal balance and all accrued interest will be due.

Fees and interest on borrowings under the Amended Credit Agreement vary based on our Consolidated Leverage Ratio (as defined in the Amended Credit Agreement). At our option, these borrowings will bear interest at one, three or six month Term SOFR or, in the case of the Revolver, an alternate base rate, in each case plus the applicable margin. The applicable margin for borrowings under the Revolver will fluctuate between 1.125% per annum and 1.875% per annum, in the case of Term SOFR borrowings, or between 0.125% per annum and 0.875% per annum, in the case of base rate loans, based upon our Consolidated Leverage Ratio at such time. The applicable margin for the outstanding principal under the Term Loan will range between 1.625% per annum and 2.375% per annum based upon our Consolidated Leverage Ratio at such time. The fees and interest are subject to further adjustment based upon the Company's performance against specified key performance indicators related to certain environmental, social and governance goals of the Company. Based upon the performance of the Company against those key performance indicators in each Reference Year (as defined in the Amended Credit Agreement), certain adjustments to the otherwise applicable rates for interest, commitment fees and letter of credit fees will be made. These annual adjustments will not exceed an increase or decrease of 0.01% in the aggregate for all key performance indicators in the case of the commitment fee rate or an increase or decrease of 0.05% in the aggregate for all key performance indicators in the case of the Term SOFR borrowings, base rate borrowings or letter of credit fee rate.

Amounts borrowed under the Amended Credit Agreement may be prepaid at any time without premium or penalty. We are required to prepay the amounts outstanding under the Amended Credit Agreement in certain circumstances, including upon an Event of Default (as defined in the Amended Credit Agreement). In addition, we have the right to permanently reduce or terminate the unused portion of the commitments provided under the Amended Credit Agreement at any time.

The Amended Credit Agreement contains usual and customary representations and warranties; affirmative and negative covenants, which include limitations on liens, investments, additional indebtedness, and restricted payments; and two quarterly financial covenants as follows: (i) a maximum Consolidated Leverage Ratio (defined as the ratio of debt to consolidated EBITDA) of 3.75 to 1.00; however the maximum permitted Consolidated Leverage Ratio will increase to 4.25 to 1.00 upon the occurrence of a Qualified Acquisition (as defined in the Amended Credit Agreement), and (ii) a minimum Consolidated Interest Coverage Ratio (defined as the ratio of consolidated EBITDA to interest) of 3.00 to 1.00. Consolidated EBITDA for purposes of the financial covenants is calculated on a continuing operations basis and includes adjustments to add back non-cash goodwill impairment charges, share-based compensation costs, certain non-cash restructuring charges, pro forma historical EBITDA for businesses acquired, and other specified items in accordance with the Amended Credit Agreement. For purposes of the Consolidated Leverage Ratio, total debt is on a gross basis and is not netted against our cash balances. At June 30, 2024 and December 31, 2023, we were in compliance with these financial covenants. Our Consolidated Leverage Ratio as of June 30, 2024 was 2.24 to 1.00, compared to 1.59 to 1.00 as of December 31, 2023. Our Consolidated Interest Coverage Ratio as of June 30, 2024 was 10.55 to 1.00, compared to 10.85 to 1.00 as of December 31, 2023.

The Amended Credit Agreement contains restricted payment provisions, including a potential limit on the amount of dividends we may pay. Pursuant to the terms of the Amended Credit Agreement, if our Consolidated Leverage Ratio is greater than 3.50, the amount of dividends and other Restricted Payments (as defined in the Amended Credit Agreement) we may pay is limited to an amount up to $50 million.

Borrowings outstanding under the Amended Credit Agreement at June 30, 2024 and December 31, 2023 totaled $511.6 million and $324.0 million, respectively. Of the $511.6 million outstanding as of June 30, 2024, $240.0 million was outstanding under the Revolver and $271.6 million was outstanding under the Term Loan. There were no borrowings outstanding under the Term Loan at December 31, 2023. These borrowings carried a weighted average interest rate of 5.2% at June 30, 2024 and 4.2% at December 31, 2023, including the impact of the interest rate swaps described in Note 9 “Derivative Instruments and Hedging Activity” within the notes to the consolidated financial statements.

The borrowing capacity under the Revolver is reduced by any outstanding borrowings under the Revolver and outstanding letters of credit. At June 30, 2024, we had outstanding letters of credit totaling $0.6 million, which are used as security deposits for our office facilities. As of June 30, 2024, the unused borrowing capacity under the Revolver was $359.4 million.

Refer to Note 7 “Financing Arrangements” for additional information on our senior secured credit facility within the notes to the consolidated financial statements.

Future Financing Needs

Our primary financing need is to fund our long-term growth. Our growth strategy is to expand our service offerings, which may require investments in new hires, acquisitions of complementary businesses, possible expansion into other geographic areas, and related capital expenditures.

We believe our internally generated liquidity, together with our available cash, and the borrowing capacity available under our senior secured credit facility will be adequate to support our current financing needs and long-term growth strategy. Our ability to secure additional financing in the future, if needed, will depend on several factors, including our future profitability, the quality of our accounts receivable and unbilled services, our relative levels of debt and equity, and the overall condition of the credit markets.

OFF-BALANCE SHEET ARRANGEMENTS

We are not a party to any material off-balance sheet arrangements.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Management’s discussion and analysis of financial condition and results of operations is based upon our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”). We regularly review our financial reporting and disclosure practices and accounting policies to ensure that our financial reporting and disclosures provide accurate information relative to the current economic and business environment. The preparation of financial statements in conformity with GAAP requires management to make assessments, estimates, and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Critical accounting policies and estimates are those policies and estimates that we believe present the most complex or subjective measurements and have the most potential to impact our financial position and operating results. While all decisions regarding accounting policies and estimates are important, we believe that there are five accounting policies and estimates that could be considered critical: revenue recognition, allowances for doubtful accounts and unbilled services, business combinations, carrying values of goodwill and other intangible assets, and accounting for income taxes. For a detailed discussion of these critical accounting policies, see Item 7. “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Critical Accounting Policies” in our Annual Report on Form 10-K for the year ended December 31, 2023. There have been no material changes to our critical accounting policies during the six months ended June 30, 2024.

NEW ACCOUNTING PRONOUNCEMENTS

See Note 3 “New Accounting Pronouncements” within the notes to the consolidated financial statements for information on new accounting pronouncements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

We are exposed to market risks primarily from changes in interest rates and foreign currency exchange rates and changes in the market value of our investments. We use certain derivative instruments to hedge a portion of the interest rate and foreign currency exchange rate risks.

Interest Rate Risk

We have exposure to changes in interest rates associated with borrowings under our senior secured credit facility. At our option, these borrowings bear interest at one, three or six month Term SOFR or, in the case of the Revolver, an alternate base rate. At June 30, 2024, we had borrowings outstanding under the credit facility totaling $511.6 million that carried a weighted average interest rate of 5.2%, including the impact of the interest rate swaps described below. A hypothetical 100 basis point change in the interest rate would have a $2.1 million effect on our pretax income on an annualized basis, including the effect of the interest rate swaps. At December 31, 2023, we had borrowings outstanding under the credit facility totaling $324.0 million that carried a weighted average interest rate of 4.2% including the impact of the interest rate swaps described below. A hypothetical 100 basis point change in the interest rate would have had a $0.7 million effect on our pretax income on an annualized basis, including the effect of the interest rate swaps.

We enter into forward interest rate swap agreements to hedge against the interest rate risks of our variable-rate borrowings. Under the terms of the interest rate swap agreement, we receive from the counterparty interest on the notional amount based on one month Term SOFR and we pay to the counterparty a stated, fixed rate. As of June 30, 2024 and December 31, 2023, the aggregate notional amount of our forward interest rate swap agreements was $300.0 million and $250.0 million, respectively. The outstanding interest rate swap agreements as of June 30, 2024 are scheduled to mature on a staggered basis through January 31, 2029.

Foreign Currency Risk

We have exposure to changes in foreign currency exchange rates between the U.S. Dollar (USD) and the Indian Rupee (INR) related to our operations in India. We hedge a portion of our cash flow exposure related to our INR-denominated intercompany expenses by entering into non-deliverable foreign exchange forward contracts. As of June 30, 2024 and December 31, 2023, the aggregate notional amounts of these contracts were INR 629.2 million, or $7.5 million, and INR 1,375.7 million, or $16.6 million, respectively, based on the exchange rates in effect as of each period end. The outstanding foreign exchange forward contracts as of June 30, 2024 are scheduled to mature monthly through April 30, 2025.

We use a sensitivity analysis to determine the effects that market foreign currency exchange rate fluctuations may have on the fair value of our foreign currency exchange rate hedge portfolio. The sensitivity of the hedge portfolio is computed based on the market value of future cash flows as affected by changes in exchange rates. This sensitivity analysis represents the hypothetical changes in value of the hedge position and does not reflect the offsetting gain or loss on the underlying exposure. A hypothetical 100 basis point change in the foreign currency exchange rate between the USD and INR would have an immaterial impact on the fair value of our hedge instruments as of June 30, 2024 and December 31, 2023.

Market Risk

We have a 1.69% convertible debt investment in Shorelight Holdings, LLC, a privately-held company, which we account for as an available-for-sale debt security. As such, the investment is carried at fair value with unrealized holding gains and losses excluded from earnings and reported in other comprehensive income. As of June 30, 2024, the fair value of the investment was $57.6 million, with a total cost basis of $40.9 million. At December 31, 2023, the fair value of the investment was $68.0 million, with a total cost basis of $40.9 million.

We have a preferred stock investment in a privately-held hospital-at-home company, which we account for as an equity security without a readily determinable fair value using the measurement alternative. As such, the investment is carried at cost minus impairment, plus or minus changes resulting from observable price changes in orderly transactions for the identical or similar investment. As of June 30, 2024 and December 31, 2023, the carrying value of the investment was $7.4 million with a total cost basis of $5.0 million.

We do not use derivative instruments for trading or other speculative purposes. From time to time, we invest excess cash in short-term marketable securities. These investments principally consist of overnight sweep accounts. Due to the short maturity of these investments, we have concluded that we do not have material market risk exposure. Refer to Note 9 “Derivative Instruments and Hedging Activity” within the notes to our consolidated financial statements for additional information on our derivative instruments.

ITEM 4. CONTROLS AND PROCEDURES.

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of the Company's Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act") as of June 30, 2024. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that, as of June 30, 2024, our disclosure controls and procedures were effective in recording, processing, summarizing and reporting, on a timely basis, information required to be disclosed by us in the reports we file or submit under the Exchange Act, and such information is accumulated and communicated to management as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

There has been no change in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the three months ended June 30, 2024 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

From time to time, we are involved in legal proceedings and litigation arising in the ordinary course of business. As of the date of this Quarterly Report on Form 10-Q, we are not a party to any litigation or legal proceeding or subject to any claim that, in the current opinion of management, could reasonably be expected to have a material adverse effect on our financial position or results of operations. However, due to the risks and uncertainties inherent in legal proceedings, actual results could differ from current expected results.

ITEM 1A. RISK FACTORS.

See Part 1, Item 1A, "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023, which was filed with the Securities and Exchange Commission on February 27, 2024, for a complete description of the material risks we face.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

Our Stock Ownership Participation Program and 2012 Omnibus Incentive Plan permit the netting of common stock upon vesting of restricted stock awards to satisfy individual tax withholding requirements. During the quarter ended June 30, 2024, we reacquired 1,627 shares of common stock with a weighted average fair market value of $93.88 as a result of such tax withholdings.

In November 2020, our board of directors authorized a share repurchase program permitting us to repurchase up to $50 million of our common stock through December 31, 2021. The share repurchase program has been subsequently extended and increased, most recently in the second quarter of 2024. The current authorization extends the share repurchase program through December 31, 2025 with a repurchase amount of $500 million, of which $89.9 million remains available as of June 30, 2024.The amount and timing of repurchases under the share repurchase program were and will continue to be determined by management and depend on a variety of factors, including the trading price of our common stock, capacity under our credit facility, general market and business conditions, and applicable legal requirements.

The following table provides information with respect to purchases we made of our common stock during the quarter ended June 30, 2024.

Period	Total Number of Shares Purchased [(1)]	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Dollar Value of Shares that may yet be Purchased under the Plans or Programs [(2)]
April 1, 2024 - April 30, 2024	154,762	$ 94.73	153,135	$ 9,474,528
May 1, 2024 - May 31, 2024	223,358	$ 87.39	223,358	$ 89,948,343
June 1, 2024 - June 30, 2024	—	$ —	—	$ 89,948,343
Total	378,120	$ 90.40	376,493	

(1) The number of shares repurchased included 1,627 shares in April 2024 to satisfy employee tax withholding requirements. These shares do not reduce the repurchase authority under the share repurchase program.

(2) As of the end of the period.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

ITEM 5. OTHER INFORMATION.

Securities Trading Plans of Directors and Executive Officers

The following table describes contracts, instructions or written plans for the sale or purchase of our securities adopted by our executive officers and/or directors during the second quarter of 2024, each of which is intended to satisfy the affirmative defense conditions of Rule 10b5-1(c), referred to as Rule 10b5-1 trading plans.

Name and Title	Action	Date of Rule 10b5-1 Trading Plan Action	Scheduled Expiration Date of Rule 10b5-1 Trading Plan	Aggregate Number of Shares to be Sold
H. Eugene Lockhart - Director	Adoption	5/9/2024	7/31/2025	25,000
James Roth - Vice Chairman of the Board	Adoption	5/18/2024	4/1/2025	43,030
Debra Zumwalt - Director	Adoption	5/21/2024	4/30/2025	886

During the second quarter of 2024, none of our executive officers or directors terminated contracts, instructions or written plans for the sale or purchase of our securities intended to satisfy the affirmative defense condition of Rule 10b5-1(c) or adopted or terminated a non-Rule 10b5-1 trading arrangement (as defined in Item 408(c) of Regulation S-K).

ITEM 6. EXHIBITS.

(a) The following exhibits are filed as part of this Quarterly Report on Form 10-Q.

Exhibit Number	Exhibit Description	Filed herewith	Furnished herewith	Incorporated by Reference			
				Form	Period Ending	Exhibit	Filing Date
3.1	Amendment to Huron Consulting Group Inc.'s Restated Certificate of Incorporation, effective May 3, 2024.			DEF 14A		Appendix A	3/22/2024
10.1*	Amendment to Huron Consulting Group Inc.'s Amended and Restated Stock Ownership Participation Plan, effective May 3, 2024.			DEF 14A		Appendix B	3/22/2024
31.1	Certification of the Chief Executive Officer, pursuant to Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	X					
31.2	Certification of the Chief Financial Officer, pursuant to Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	X					
32.1	Certification of the Chief Executive Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.		X				
32.2	Certification of the Chief Financial Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.		X				
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.	X					
101.SCH	Inline XBRL Taxonomy Extension Schema Document	X					
101.CAL	Inline XBRL Taxonomy Extension Calculation Link base Document	X					
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document	X					
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document	X					
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document	X					
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)	X					

* Indicates the exhibit is a management contract or compensatory plan or arrangement.

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 thereunto duly authorized.

Huron Consulting Group Inc.
(Registrant)

Date: July 30, 2024

/s/ JOHN D. KELLY
John D. Kelly
Executive Vice President,
Chief Financial Officer and Treasurer

EXHIBIT 31.1

**CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER,
PURSUANT TO RULE 13a-14(a)/15d-14(a), AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, C. Mark Hussey, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Huron Consulting Group Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors (or persons performing the equivalent functions):
    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date:	July 30, 2024	By:	/s/ C. MARK HUSSEY
			C. Mark Hussey
			President and Chief Executive Officer

EXHIBIT 31.2

**CERTIFICATION OF THE CHIEF FINANCIAL OFFICER,
PURSUANT TO RULE 13a-14(a)/15d-14(a), AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, John D. Kelly, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Huron Consulting Group Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors (or persons performing the equivalent functions):
    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 30, 2024

By: /s/ JOHN D. KELLY
John D. Kelly
Executive Vice President,
Chief Financial Officer and Treasurer

EXHIBIT 32.1

**CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER,
PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Huron Consulting Group Inc. (the "Company") on Form 10-Q for the quarter ended June 30, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, C. Mark Hussey, President and Chief Executive Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company for the periods presented therein.

Date: July 30, 2024

By: /s/ C. MARK HUSSEY
C. Mark Hussey
President and Chief Executive Officer

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

The foregoing certification is being furnished to the Securities and Exchange Commission as an exhibit to the Form 10-Q and shall not be considered filed as part of the Form 10-Q.

EXHIBIT 32.2

**CERTIFICATION OF THE CHIEF FINANCIAL OFFICER,
PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Huron Consulting Group Inc. (the "Company") on Form 10-Q for the quarter ended June 30, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, John D. Kelly, Executive Vice President, Chief Financial Officer and Treasurer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company for the periods presented therein.

Date:	July 30, 2024	By:	/s/ JOHN D. KELLY
			John D. Kelly
			Executive Vice President, Chief Financial Officer and Treasurer

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

The foregoing certification is being furnished to the Securities and Exchange Commission as an exhibit to the Form 10-Q and shall not be considered filed as part of the Form 10-Q.