



Accounting Today PE Summit

*“PE and the Accounting Profession –
A Look Back on the First Term (2021 – 2025)”*

Wednesday, November 19, 2025

1:45 – 2:20pm

Chicago, Illinois



For the last twenty-five years, Allan has been named by *Accounting Today* as one of the Top 100 Most Influential in the accounting profession. In 2023 and 2024 Allan was voted the “Second Most Influential” in the Accounting Profession.

For the past twenty-four years, Allan was voted as one of the Most Recommended Consultants by *INSIDE Public Accounting* and in 2025, he was named to Crain’s Chicago Business’s list of Notable M&A Dealmakers.

For the past decade, Allan has been named by *CPA Practice Advisor* as one of the Top 25 Thought Leaders in the profession. In 2016, *CPA Practice Advisor* also inducted Allan into the Accounting Hall of Fame.

Allan was one of the first to be inducted into the Accounting Marketing Hall of Fame by the Association for Accounting Marketing.

A nationally recognized speaker, he has appeared on CNN, WGN and FOX TV and has been quoted in the *Wall Street Journal*, *New York Times*, *Financial Times*, *Washington Post*, *Chicago Tribune*, *Los Angeles Times*, *USA Today*, *New York Post*, *Forbes*, and *Bloomberg News*.

Previously, Allan was the CEO of PDI Global, which was the largest provider of marketing products and consulting services to CPA firms. Allan sold PDI Global to H&R Block in 1998, buying it back in 2008, and then selling it to Thomson Reuters in 2011.

Prior to that, Allan was a partner in the Chicago-based CPA firm of FERS (which was a Top 15 CPA firm nationally), where he served as leader of the investment banking and law firm services groups, as well as the Executive Committee.

Wayne Berson, CEO of BDO, was quoted as saying the following about Allan, “I liken him to a sports super-agent, such as Scott Boras, whom players seek out. If we want to do a deal, in most cases the firm is working with Allan already.”

Jeffrey Weiner, former CEO and Chairman of Marcum, was quoted as saying the following about Allan, “Koltin is the most trusted negotiator or shadchan in the profession.”

Marc Rosenberg, a leading consultant and author to the CPA industry, was also quoted as saying, “If there were an election of the most highly visible, sought-after consultant to CPA firms, Koltin would be the hands-down winner.”

MANY OF THE TOP 500 CPA FIRMS COME TO KCG FOR OUR DEPTH OF KNOWLEDGE AND BREADTH OF SERVICES.

- ▶ LEADERSHIP / PARTNER RETREATS
- ▶ PARTNER COMPENSATION
- ▶ GOVERNANCE & FIRM MANAGEMENT
- ▶ LEADERSHIP SUCCESSION
- ▶ FIRM GROWTH & PROFITABILITY
- ▶ TALENT REPRESENTATION
- ▶ STRATEGIC PLANNING
- ▶ SUCCESSION PLANNING
- ▶ PRIVATE EQUITY/M&A
- ▶ KEYNOTE PRESENTATIONS & WORKSHOPS



LOOKING for an M&A Advisor?

We have advised CPA, Private Equity, Wealth Management, Technology, Outsourcing and Consulting Firms on over **300 M&A Deals** with combined revenues of over **\$6 Billion**.

Deals we advised on in 2022 - 2025. (based on acquiree firm revenues)



ABDO - HGK (\$3.7M)
APAX - COHNREZNICK (\$1B)
APRIO - MIZE CPAS (\$50M)
APRIO - PRISM FINANCIAL GROUP (N/A)
ARMANINO - DRUCKER & SCACCETTI (\$19M)
ARMANINO - JANOVER (\$45.5M)
ARMANINO - SAOS (\$4M)
BAKER TILLY - BADER MARTIN (\$19M)
BAKER TILLY - CIRONE FRIEDBERG (\$12M)
BAKER TILLY - HANCOCK ASKEW (\$50M)
BAKER TILLY - HENRY+HORNE (\$35.3M)
BAKER TILLY - KRAFT CPAS (\$46M)
BAKER TILLY -
 MARCUM'S NE HEALTHCARE PRACTICE (\$15M)
BAKER TILLY - TRUE PARTNERS CONSULTING (\$50M)
BLACKSTONE - CITRIN COOPERMAN (\$850 M)
BPM - FAIR ANDERSON LANGERMAN (\$6.9M)
BROAD SKY PARTNERS - SMITH+HOWARD (\$44M)
CARR RIGGS & INGRAM - ALONSO & GARCIA (\$4.8M)
CARR RIGGS & INGRAM - BROWN NELMS (\$3.7M)
CARR RIGGS & INGRAM - CAPIN CROUSE (\$40 M)
CARR RIGGS & INGRAM -
 PHARR BOUNDS & ZAVERSNIK (\$1.4M)
CARR RIGGS & INGRAM - PRO SPORT CPAS (\$3M)
CARR RIGGS & INGRAM - STANFIELD + O'DELL (\$6.5M)
CARR RIGGS & INGRAM - THE LANNING GROUP (\$2.4M)
CARR RIGGS & INGRAM - TRAVANI & RICHTER (\$1.4M)
CBIZ - MARCUS NE HEALTHCARE (\$18M)
CBIZ - MARKS PANETH (\$139M)
CBIZ - SOMERSET (\$55M)
CENTERBRIDGE - CARR RIGGS & INGRAM (\$500M)
CHERRY BEKAERT - JAMESON (\$8M)
CHERRY BEKAERT - LEGIER (\$4M)
CHERRY BEKAERT - MCM (\$68.6M)

CITRIN COOPERMAN - APPELROUTH FARAH (\$11M)
CITRIN COOPERMAN - BERDON (\$110M)
CITRIN COOPERMAN - CHAPMAN BIRD TESSLER (\$8.5M)
CITRIN COOPERMAN -
 COLEMAN HUNTOON & BROWN (\$6.7M)
CITRIN COOPERMAN - GETTRY & MARCUS (\$38.5M)
CITRIN COOPERMAN - HW&CO. (\$28M)
CITRIN COOPERMAN - KEEFE MCCULLOUGH (\$15.4M)
CITRIN COOPERMAN - ORBA (\$50M)
CITRIN COOPERMAN - S&G (\$12M)
CITRIN COOPERMAN -
 SHEPARD SCHWARTZ & HARRIS (\$15.5M)
CITRIN COOPERMAN - UNTRACHT EARLY (\$32.5M)
CLA - CONCANNON MILLER (\$24.3M)
CLA - PRICE (\$5M)
CLA - SOBEL (\$32M)
COHEN & CO. - SZYMKOWIAK & ASSOC. (\$6M)
COHNREZNICK - BKMSH (\$10.5M)
COHNREZNICK - DASZKAL BOLTON (\$45.8M)
COHNREZNICK - HARAN (\$2.6M)
COHNREZNICK - PIASCIK (\$8M)
CREATIVE PLANNING - BERGANKOV (\$120M)
CRETE PROFESSIONALS ALLIANCE - ABACUS (\$18M)
CRETE PROFESSIONALS ALLIANCE - ACCUTY (\$25M)
CRETE PROFESSIONALS ALLIANCE - ADVISENT (N/A)
CRETE PROFESSIONALS ALLIANCE - CABRILLO ADVISORS (\$7M)
CRETE PROFESSIONALS ALLIANCE - DAVID CUTLER (\$20M)
CRETE PROFESSIONALS ALLIANCE - LEVY ERLANGER (\$15M)
CRETE PROFESSIONALS ALLIANCE -
 NORTH STAR FINANCE (\$5M)
CRETE PROFESSIONALS ALLIANCE - REID (\$28M)
CROWE - BELT HARRIS & PECHACEK (\$5.2 M)
DOEREN MAYHEW - AGL CPA GROUP (\$7M)
EIDE BAILLY - SECORE & NIEDZIALEK (\$2.7M)

EIDE BAILLY - SEIM JOHNSON (\$21.3M)
EISNERAMPER - HDA ACCOUNTING GROUP (\$12 M)
EISNERAMPER - LINDSAY & BROWNELL (\$16M)
EISNERAMPER - LURIE (\$41.5M)
EISNERAMPER - MORRISON & MORRISON (\$16.6M)
EISNERAMPER -
 Spielman Koenigsberg & Parker (\$28M)
EISNERAMPER - TKO (\$13.3M)
FLEXPOINT FORD - ELLIOTT DAVIS (\$300M)
HELLMAN & FRIEDMAN/VALEAS - BAKER TILLY (\$1.85B)
IMA FINANCIAL GROUP - REDRIDGE (\$11.2M)
MARCUM - E COHEN/BINARY NETWORKS (\$20M)
MARCUM - FRIEDMAN (\$180M)
MARCUM - MCCARTHY (\$11.4M)
MARCUM - MELANSON (\$18M)
MARCUM - PICCERELLI GILSTEIN (\$7.3M)
MGO - ECKHOFF (\$3.9M)
MGO - J. ARTHUR GREENFIELD (\$6M)
NEW MOUNTAIN CAPITAL - WIPFLI (\$600M)
PINION - ANDERSON ZURMUEHEN (\$29M)
PORTE BROWN - RVG PARTNERS (\$4.3M)
RICHIE MAY - MOSS KRUSICK (\$18M)
SMITH+HOWARD - MARKET STREET PARTNERS (\$8.6M)
SMITH+HOWARD - SMITH KESSLER (\$9M)
SORREN/DFW CAPITAL - SBF (\$18.5M)
SPRINGLINE ADVISORY - HM&M (\$20M)
SPRINGLINE ADVISORY - BGBC (\$15M)
UNITY PARTNERS -
 PROSPERITY PARTNERS (FORMERLY NDH) (\$10M)
WIPFLI - CLAYTON & MCKERVEY (\$19M)
WITIUM - CTM (\$9.5M)
WITIUM - MARTINI (\$11M)

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Practice Management and Growth | Mergers and Acquisitions | Talent Representation



**135 years of calm. 5 years of chaos.
The accounting profession has changed
more in the last five years than in the
entire century before it. And the next
five? Even bigger shocks are coming.**

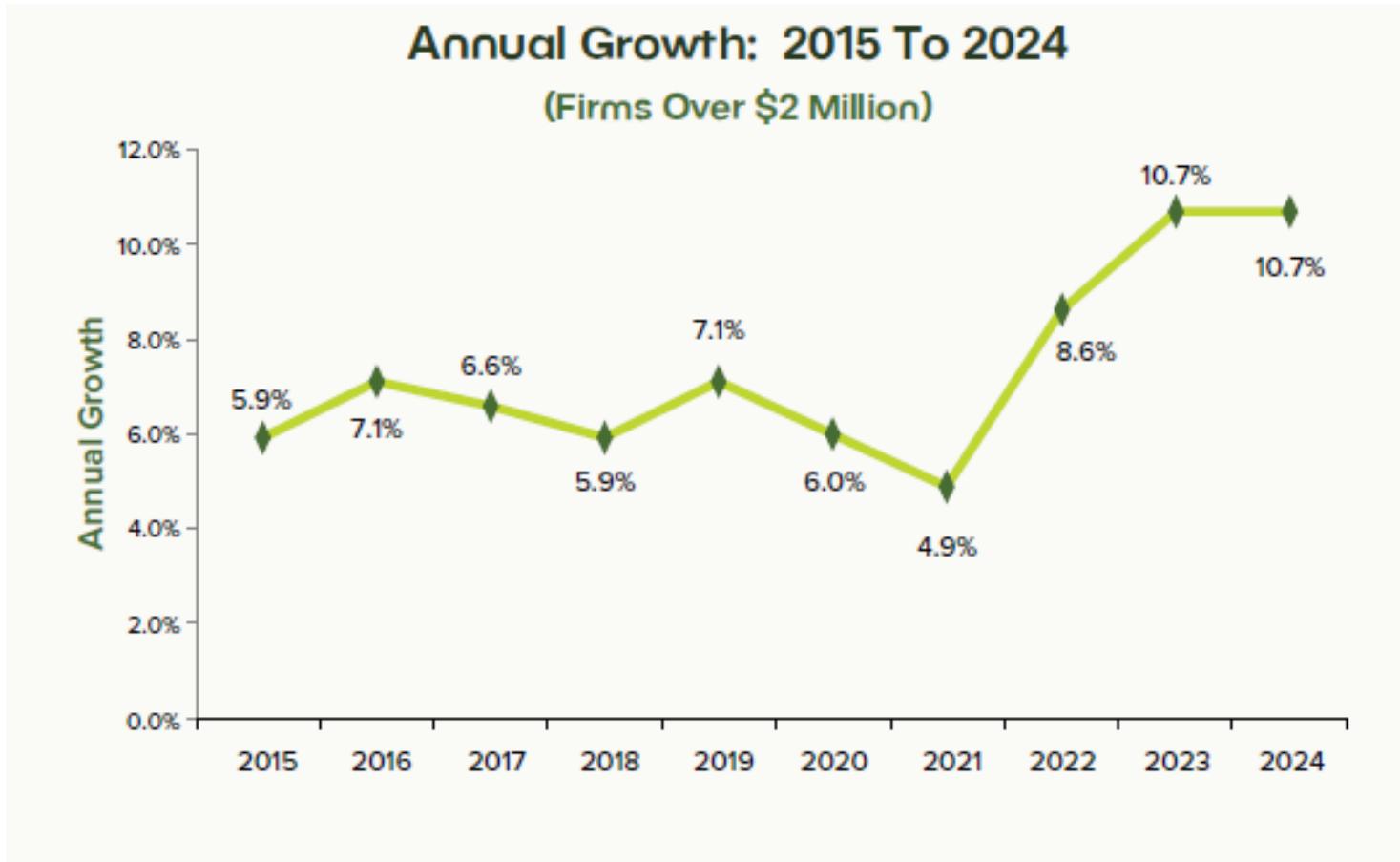
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**Curious?
That's what Allan Koltin,
CEO, KCG unpacked in
our podcast.**

podcasts for everyone

Revenue Growth



Source: 2024 Rosenberg Survey
Copyright 2024 The Growth Partnership

Respect

Risk taker

Integrity

Getting results from others

Firm 1st,
You 2nd

Thinking strategically

What are the Professional and Personal Characteristics of a Great Leader?

Willing to lose your job

Trust

Let's just pretend we're in business to make money

Student of the Game

Ability to make tough decisions

Steady heartbeat

Resiliency/
Ability to bounce back from failure

Transforming talent

Doctors Warn Accountants of Private Equity Drain on Quality: You Could be Next



JOURNAL OF ACCOUNTANCY®

Private equity's push into accounting

The purchase of EisnerAmper is PE's first deal with a top 20 firm, but it likely won't be the last.

By Jeff Drew
October 6, 2021



Allan D. Koltin.

- **What percentage of the CPA firm is private equity acquiring?**
- **Why is private equity interested in CPA firms?**
- **Is private equity only interested in the largest firms?**
- **What characteristics would private equity find attractive in a CPA firm?**
- **How profitable does a CPA firm have to be to “qualify” for PE?**
- **How does private equity determine EBIDA and how much of partner compensation is reduced?**
- **How do the financial terms of a private equity deal compare with the traditional buyout of a CPA firm?**

Alternative practice structures are not new

1963	1990s	1998	2000	2010s	2020s	Ongoing since 2024
First global network created	Alternative Practice Structures (APS) concept broadly introduced in profession	CBIZ / CBIZ CPAs initiate alternative practice structure — McGladrey sells non-attest assets to H&R Block forming RSM McGladrey	Glenn Burdette first firm to adopt ESOP Early 2000s Alternative practice structures (APS) recognized by AICPA	Private equity investments gained momentum	ESOP adoption widened — Global Network Models emerged — Accelerated adoption of PE investments	Diverse Investment Structures — Clarifying AICPA Code of Conduct for new business models 2025 Global consolidation of firms
						Towerbrook Capital Partners invests in EisnerAmper

Source: AICPA



PODCAST



Accounting is losing its appeal. Fewer students want the degree. Even fewer want to sit for the exam. Yet Allan believes the winners will be the firms that master one thing: attracting and growing talent

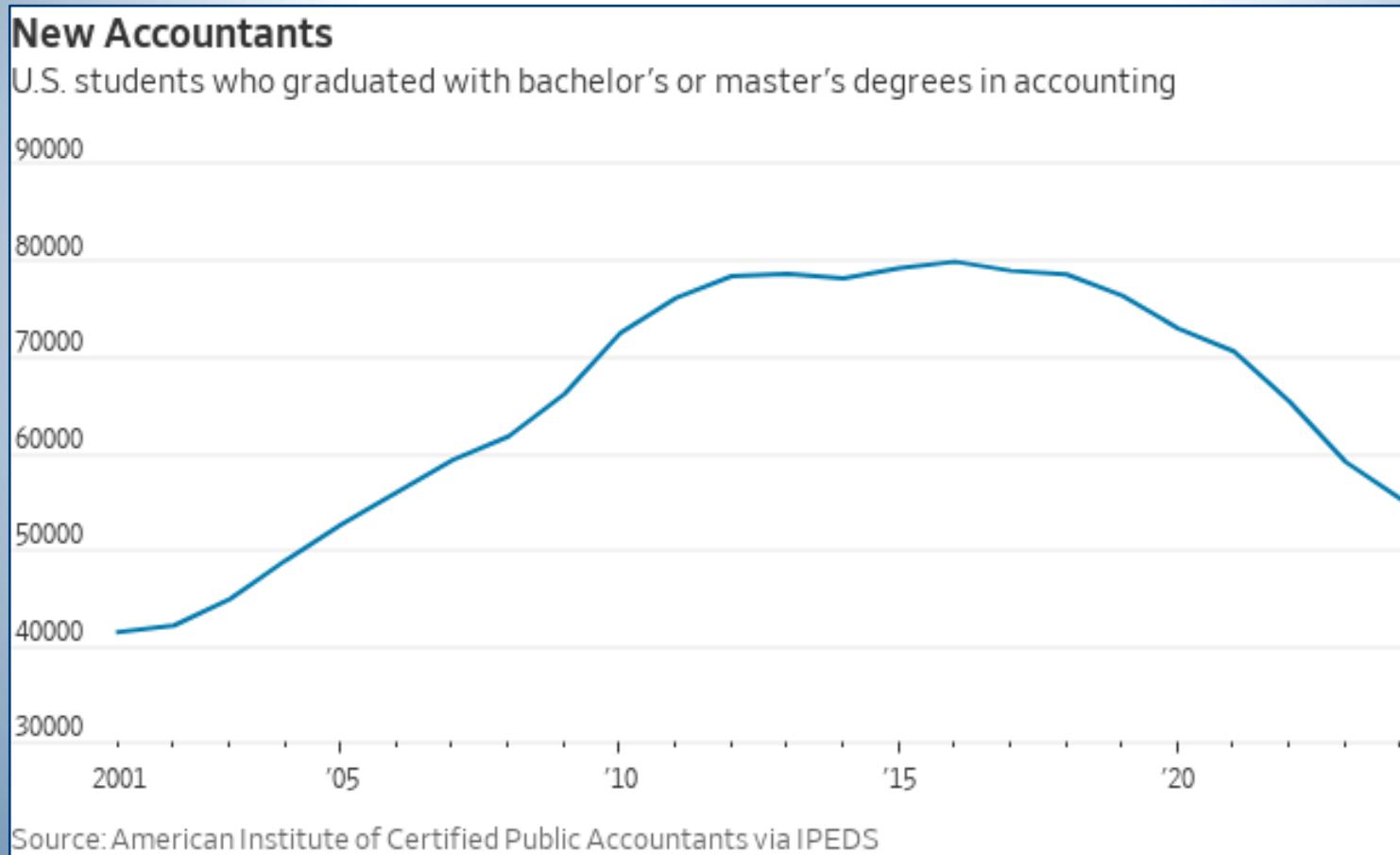
Hear how the best firms are rewriting the playbook



**Allan Koltin, CEO
Koltin Consulting Group**



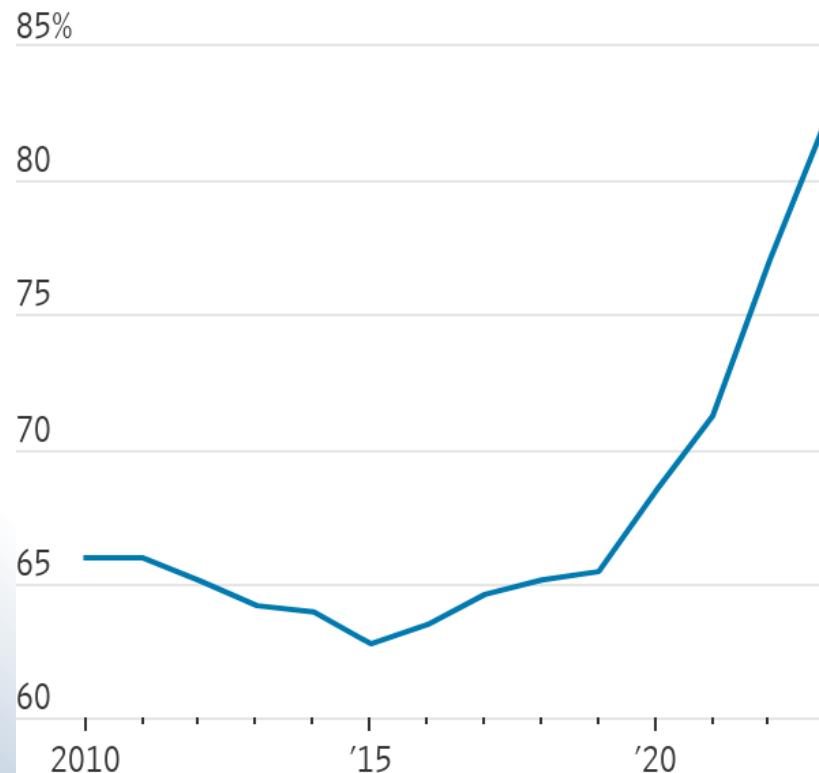
The Number of U.S. Accounting Graduates is Down 6.6%



Job Security Isn't Enough to Keep Many Accountants From Quitting

CPA Exits

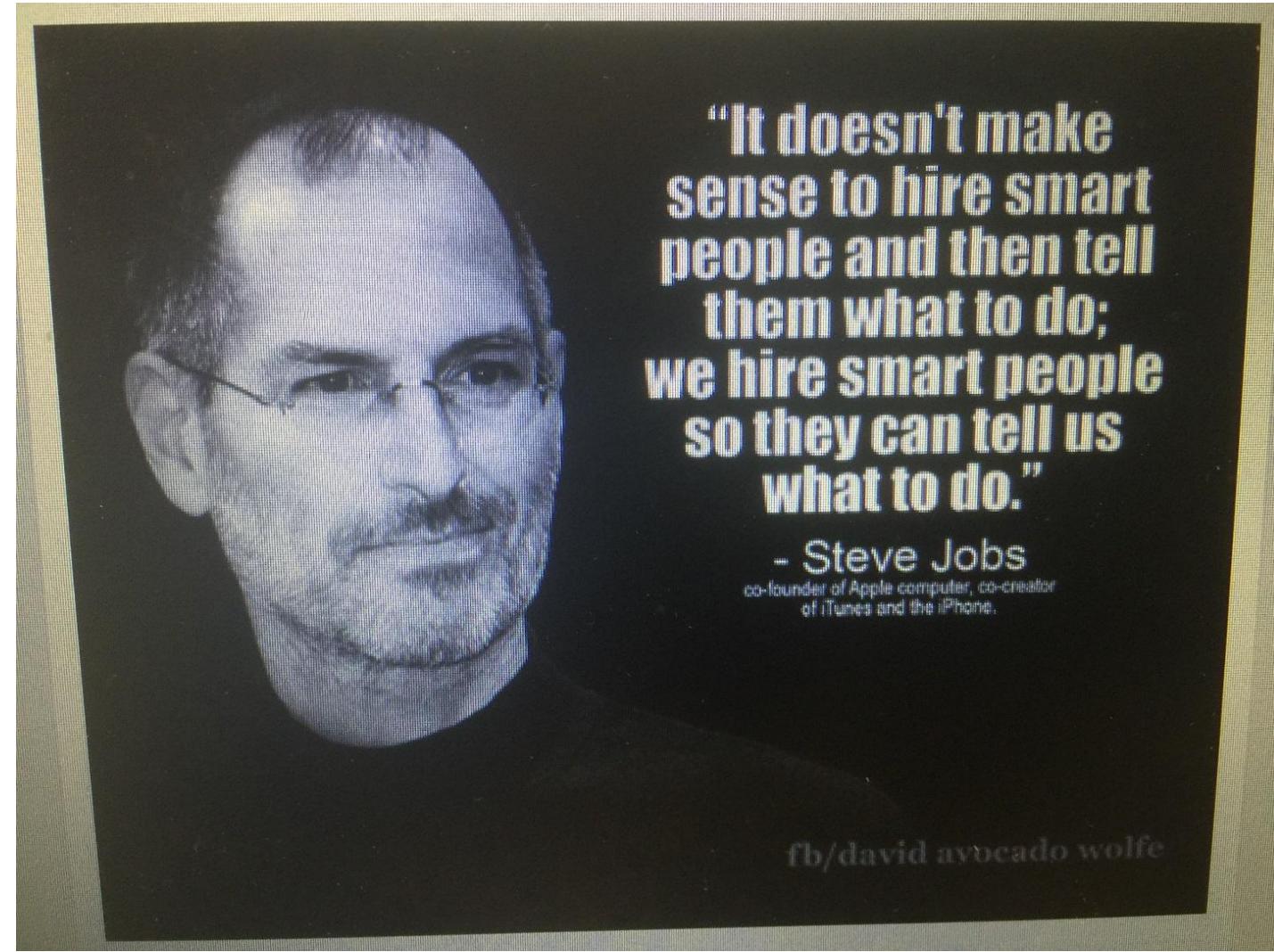
The percentage of U.S. accountants who quit that had at least six years in the profession



Note: 2023 figures are as of Sept. 1.

Source: Live Data Technologies

As featured in the *Wall Street Journal*



Comparison: Equity to Non-Equity Partners

Characteristic	Equity Partner	Non-Equity Partner
Buy-in	Yes	No
Liability	Yes	No
Known as a partner	Yes	Yes
Name in the firm	Usually not, can be	Not "eligible"
Attends partner meetings	Yes	Usually
Vote (legally) at partner meetings	Yes	No (but opinion counts)
Determination of compensation	Firm's partner comp system	Set in the same manner as that of a manager
Participation in the firm's profits	Yes	Usually not directly unless he/she had an impact on the firm's profitability. Often has indirect participation, determined by the equity partners.
Eligible for a bonus	Yes	No different from equity partner
Receive W-2	No, unless legally an employee	Always
Participation in the firm's retirement benefits.	Yes	No
Attends compensation meetings; access to firm's compensation info.	Yes, unless there is a separate comp committee	Usually not.
Access to confidential data, such as the firm's financials, operating stats, etc.	Yes	Usually

Source: "How To Bring In New Partners," by Marc Rosenberg, CPA 2013

Grant Thornton UK Partners Paid £682,000 as Cinven Completes Buyout



Grant Thornton staff were handed an 'exceptional' bonus of £39mn on top of performance bonuses for the first time, while employees below partner grade will be allocated shares in the company in the coming weeks, Grant Thornton said.

Source: Financial Times 4-15-25



PODCAST



By 2030, accountants won't be preparing financial statements or tax returns. AI and offshoring will take it over. The real question: what will you be doing instead?

Don't miss Allan's bold prediction in our latest podcast



**Allan Koltin, CEO
Koltin Consulting Group**



Economics of India Practice

In lieu of presenting each level, the following are examples for 3 levels:

1. 1st year staff - \$5k-\$7k per year salary in India vs \$68k in US
2. Senior - \$15-\$20k in India vs \$100k in US
3. Manager - \$30k-\$40k in India vs \$135k-\$175k in US

As an example: a beginner in the US earns about \$80,000 all in and in India say is it \$6,000. If the billing rate is \$150 an hour and the charge hours comparable at say 1,200; $1,200 \times \$150 = \$180,000$. At a 70% realization, the yield is \$125,000. So, the comparative profit is \$45,000 in the USA and \$119,000 using India.

For experienced people with higher billing rate, the profit using India personnel is much higher (and especially because managers in the US make \$200,000 vs \$40,000+/- in India).

In the USA, in 2023, I computed our hourly breakeven using all levels of USA people at \$180 an hour. In India, it is \$25 an hour.

**The value of 80% of what we do has
dropped to \$0, but**

The remaining 20% has grown 10,000 times!

Dr. Radhika Dirks, Global AI Advisor

CPA Firms with Revenues over \$100M

- RSM***
- BDO**** & ***
- CBIZ **
- Grant Thornton*
- Forvis Mazars
- CLA
- Baker Tilly*
- Crowe
- Plante Moran
- Eisner Advisory Group*
- CohnReznick*
- Citrin Cooperman*
- Armanino*
- Eide Bailly***
- Cherry Bekaert* & ***
- Wipfli***
- Withum
- Carr Riggs & Ingram*
- Aprio*
- PKF O'Connor Davies*
- UHY Advisors*
- Sikich*
- Weaver
- Kearney & Co.
- Ascend Together
- Holthouse Carlin & Van Trigt
- BPM
- Whitley Penn
- LBMC
- Crete Professionals Alliance*
- Novogradac & Co.
- Rehmann
- RubinBrown
- Frank Rimerman
- The Bonadio Group
- Elliott Davis
- Cohen & Company*
- Frazier & Deeter*
- BerryDunn
- Schellman*
- Doeren Mayhew*
- Katz Sapper & Miller****
- Warren Averett***
- Hill Barth & King
- Berkowitz Pollack Brant
- Kaufman Rossin
- MGO
- Anchin
- Miller Cooper
- Grassi***
- Blue & Co.
- RKL
- Schneider Downs
- Prager Metis
- Pinion
- Your Part-Time Controller*
- SC&H Group*
- Bennett Thrasher
- Mauldin & Jenkins
- Sax*
- SingerLewak
- Clark Schaefer Hackett
- Springline Advisory*
- Sorren*
- F3/Richie May*
- Smith & Howard*

*PE Ownership **Publicly Traded
***Sold Wealth Management Practice
****Formed an ESOP

CPA Firms with Revenues over \$100M that Transformed by:

Merger of Equals	Combined with Private Equity	Sold Wealth Management Practice	Merged Up
CBIZ/ CBIZ with Marcum	Aprio Armanino Baker Tilly Cherry Bekaert	RSM BDO Cherry Bekaert Eide Bailey	Berdon BerganKDV BlumShapiro EKS&H
CLA/ Clifton Gunderson with LarsonAllen	Citrin Cooperman Cohen & Co. CohnReznick	Warren Averett Wipfli	Friedman Goodman Horne Marcum
CohnReznick/ JH Cohn with The Reznick Group	CRI Doeren Mayhew EisnerAmper Elliott Davis	Formed an ESOP BDO Grassi	MBAF Moss Adams Parente Randolph Rothstein Kass
Eide Bailly/ Charles Bailly with Eide Helmke	Frazier & Deeter Grant Thornton PKF O'Connor Davies Sax	KSM SC&H	Schenk Squar Milner
EisnerAmper/ Eisner with Amper Politziner Mattia	Schellman Sikich Smith & Howard UHY Advisors	Publicly Traded Alix Partners? Alvarez & Marsal? CBIZ	UHY Texas Weiser
Forvis Mazars/ Dixon Hughes with BKD	Wipfli Your Part-Time Controller	Anderson Tax (in process)	

Top 300 Firms That Have Merged Up or Transformed over the Past Decade

- Abacus into Crete**
- Alpern Rosenthal into BDO
- AndersonZurMuehlen into Pinion
- Anton Collins Mitchell (ACM) into BDO
- Apple Growth Partners into Eide Bailly
- Aprio into Charlesbank**
- Argy Wiltse & Robinson into BDO
- Armanino into Further Global**
- Arnett Carbis Toothman (ACT) into Baker Tilly
- Aronson into Aprio
- Arthur Bell into Cohen & Co.
- Asher & Co. into BDO
- Bader Martin into Baker Tilly
- Baker Tilly into Hellman & Friedman**
- Battelle Rippe Kingston into RSM
- BDO into Apollo****
- Beene Garter into Doeren Mayhew
- Berdon into Citrin Cooperman**
- BerganKDV into Creative Planning***
- Berntson Porter into CBIZ
- Blackman Kallick into Plante & Moran
- Blum Shapiro into CLA
- Bolar Hirsch & Jennings into Armanino
- Braver into Marcum (now CBIZ)
- Briggs & Veselka into Crowe
- BrownSmithWallace into Armanino
- Buchbinder Tunick into Weaver
- Caler Donten into EisnerAmper**
- CapinCrouse into Carr Riggs & Ingram**
- Carr Riggs & Ingram into Centerbridge**
- Cassidy Schiller into KSM****
- Caturano into RSM
- Cherry Bekaert into Parthenon Capital**
- Citrin Cooperman into New Mountain Capital (then into Blackstone)**
- Clayton & McKervey into Wipfli
- CMF into CBIZ
- Cohen & Co. into Lovell Minnick**
- CohnReznick into APAX**
- Concannon Miller into CLA
- Cotton & Co. into Sikich

*Merger of Equals
**Combined with P.E.
***Combined with Wealth Management
****Formed an ESOP

Top 300 Firms That Have Merged Up or Transformed over the Past Decade

- Daszkal Bolton into CohnReznick
- David Cutler into Crete**
- Decosimo into Elliott Davis
- Dembo Jones into CLA
- DiCicco Gulman into PKF O'Connor Davies
- Dixon Hughes into BKD (to form Forvis Mazars)*
- Doeren Mayhew into Audax**
- Drucker & Scaccetti into Armanino
- E Cohen into Marcum (now CBIZ)
- Edelstein & Co. into EisnerAmper
- EisnerAmper into Towerbrook Capital**
- EKS&H into Plante & Moran
- Elliott Davis into Flexpoint Ford**
- Feeley & Driscoll into BDO
- Frazier & Deeter into General Atlantic**
- Freed Maxick into Withum
- Friedman into Marcum (now CBIZ)
- Frost Ruttenberg Rothblatt into Marcum (now CBIZ)
- Gainer Donnelly into Carr Riggs & Ingram
- Gallina into CLA
- Galusha into Wipfli
- Gettry Marcus into Citrin Cooperman**
- Goodman into Dixon Hughes (now Forvis Mazars)
- Grant Thornton into New Mountain Capital**
- Gumbiner Savett into BPM
- Hancock Askew into Baker Tilly**
- Harb, Levy & Weiland into EisnerAmper
- Hein & Assoc. into Moss Adams (now Baker Tilly)
- Henry+Horne into Baker Tilly
- Hertzbach into BDO
- Horne into BDO
- HMWC into Eide Bailly
- Holtz Rubenstein Beminick into Baker Tilly
- Horne into BDO
- HW into Citrin Cooperman**
- Janover into Armanino
- Johnson Miller into Whitley Penn
- Kevin P. Martin & Assoc. into CohnReznick
- Kraft into Baker Tilly**
- KRD into Aprio**
- Krost CPAs into EisnerAmper**
- Larson Gross Partners into Crete**
- LeMaster & Daniel into CLA
- LMC into Ascend**
- Lindsay & Brownell into EisnerAmper**

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Top 300 Firms That Have Merged Up or Transformed over the Past Decade

- Loeb & Troper into BKD (now Forvis Mazars)
- Lurie into EisnerAmper**
- Marcum into CBIZ
- Margolin Winer & Evens into Baker Tilly
- Margolis Phipps & Wright into RSM
- Marks Nelson into Springline Advisory**
- Marks Paneth into CBIZ
- Matson & Isom into Kennedy & Coe into Pinnion
- MBAF into BDO
- McCarthy into CLA
- MCM into Cherry Bekaert**
- Melanson into Marcum (now CBIZ)
- MFA Companies into Baker Tilly
- Mize/Prism into Aprio
- Mohler Nixon & Williams into Moss Adams (now Baker Tilly)
- Montgomery Coscia Greillich (MCG) into Baker Tilly
- Morrison & Morrison into EisnerAmper**
- Moss Adams into Baker Tilly**
- Mueller Prost into Wipfli
- Nigro Karlin Segal into Focus Financial Partners**
- NSBN into CLA
- ORBA into Citrin Cooperman
- O'Sullivan Creel into Warren Averett
- OUM into Withum
- Padgett Stratemann into RSM
- Parente Randolph into Baker Tilly
- Peterson Sullivan into BDO
- PKF Mueller into Cherry Bekaert**
- PKF O'Connor Davies into Investcorp**
- PKF Texas into Withum
- Postlethwaite & Netterville into EisnerAmper**
- Prosperity Partners into Unity Partners**
- Rachlin into Marcum (now CBIZ)
- Raffa into Marcum (now CBIZ)
- Raich Ende into EisnerAmper**
- Reid into Crete**
- Richie May into F3*
- RBZ into Armanino
- Rothstein Kass into KPMG
- SBF into Sorren**
- Schellman into Lightyear Capital**
- Schenk into CLA
- Seiler LLP into Baker Tilly**

*Merger of Equals

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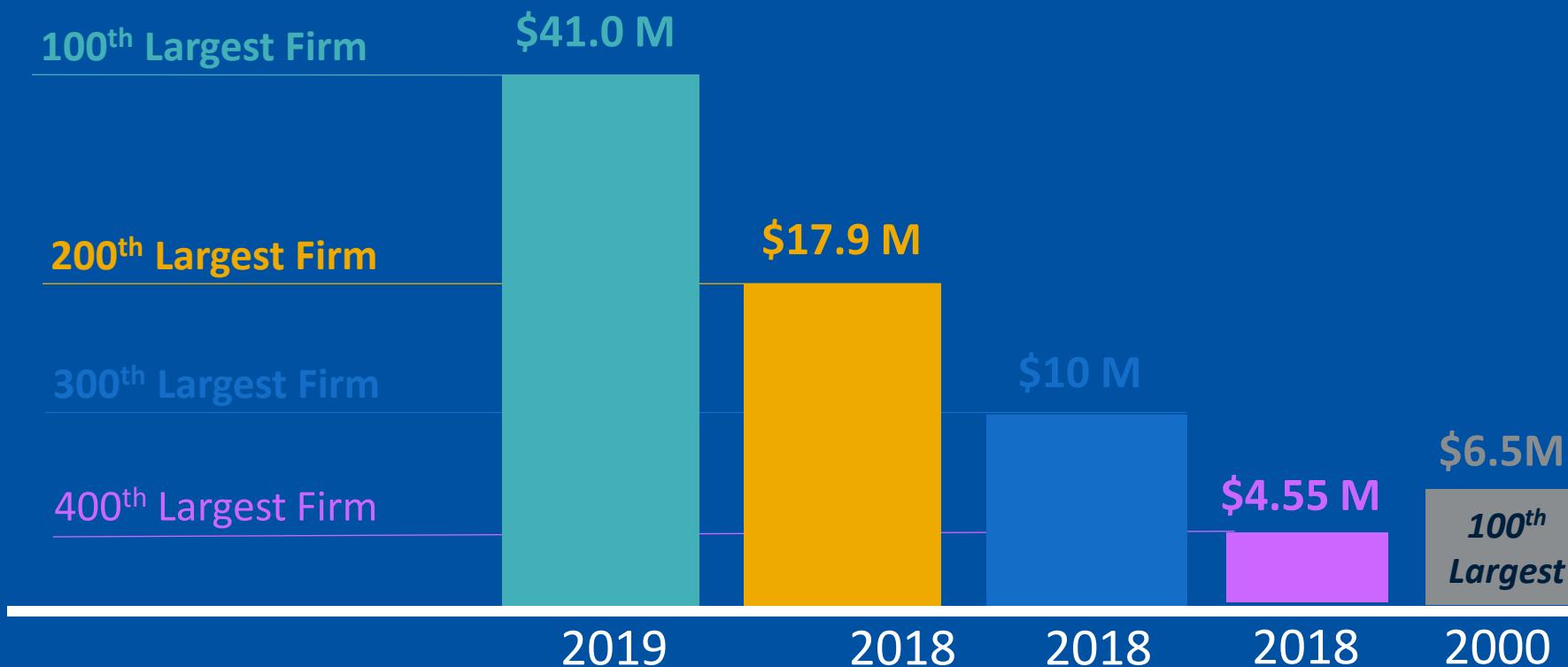
Top 300 Firms That Have Merged Up or Transformed over the Past Decade

- Seilers Richardson into RSM
- Seim Johnson into Eide Bailly
- Shea Labagh Dobberstein into CBIZ
- Shellman into Lightyear Capital**
- Shepard Schwartz Harris into Citrin Cooperman**
- Sikich into Bain**
- Skoda Minotti into Marcum (now CBIZ)
- Smith+Howard into Broad Sky Partners**
- Sobel into CLA
- Somerset into CBIZ
- Spielman Koenigsberg & Parker into EisnerAmper**
- Squar Milner into Baker Tilly
- SS&G into BDO
- Tate & Tryon into RSM
- Tighe Kress & Orr into EisnerAmper**
- True Partners into Baker Tilly
- UHY – New England into Marcum (now CBIZ)
- UHY - Texas into BDO
- UHY into Summit Partners*
- Unmbaugh into Baker Tilly
- Untracht Early into Citrin Cooperman**
- Vavrinek Trine Day into Eide Bailly
- VonLehman CPA into Dean Dorton
- Walter & Shuffain into Ascend Together**
- Watkins Meegan into CohnReznick
- Weiser into Mazars (now Forvis Mazars)
- White Nelson into CLA
- Wilson Price into Warren Averett
- Wipfli into New Mountain Capital
- Wolf into BKD (now Forvis Mazars)

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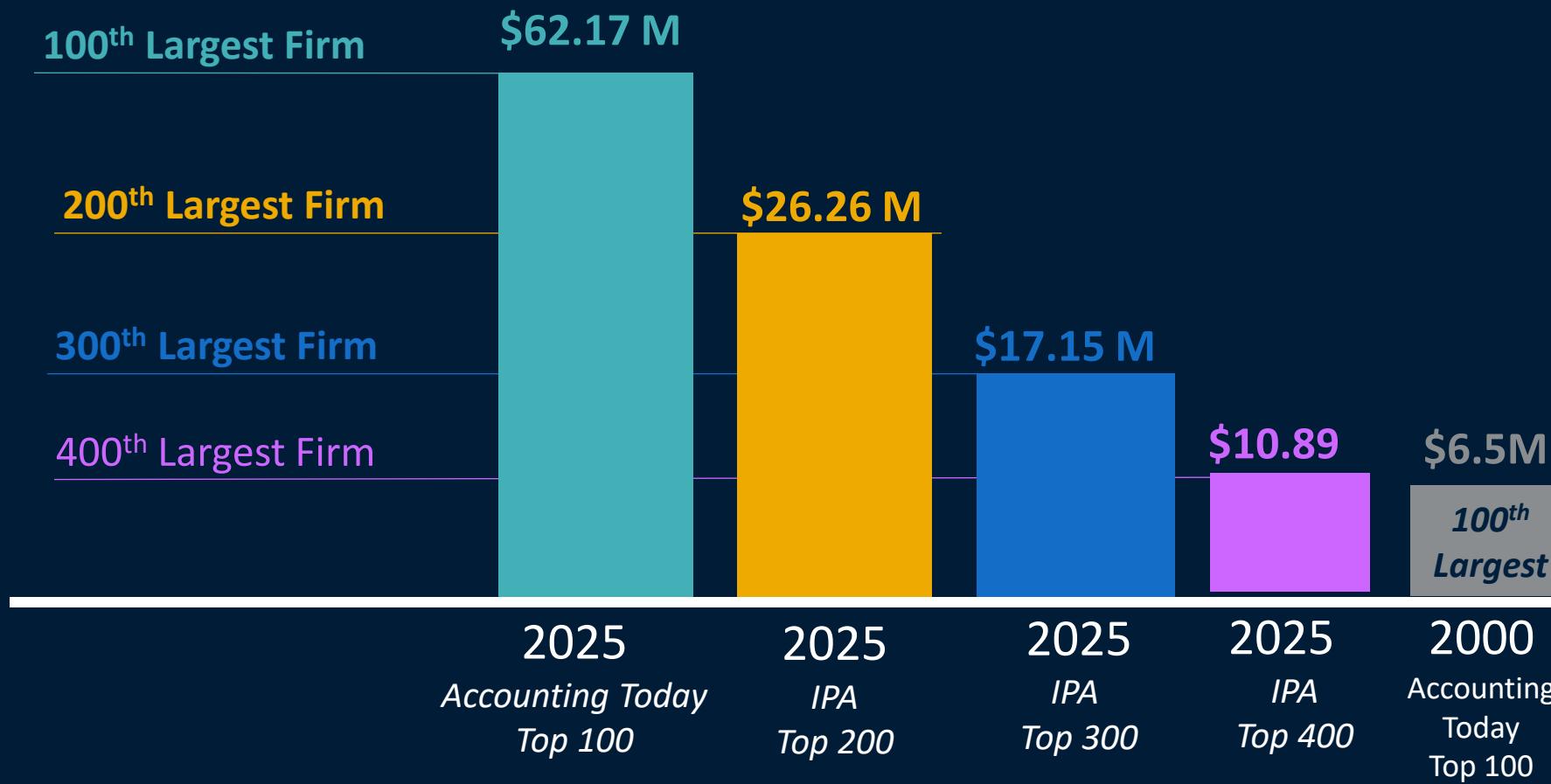
Minimum Revenue to Qualify for Top 400 Firms

June 2019



Minimum Revenue to Qualify for Top 400 Firms

June 2025

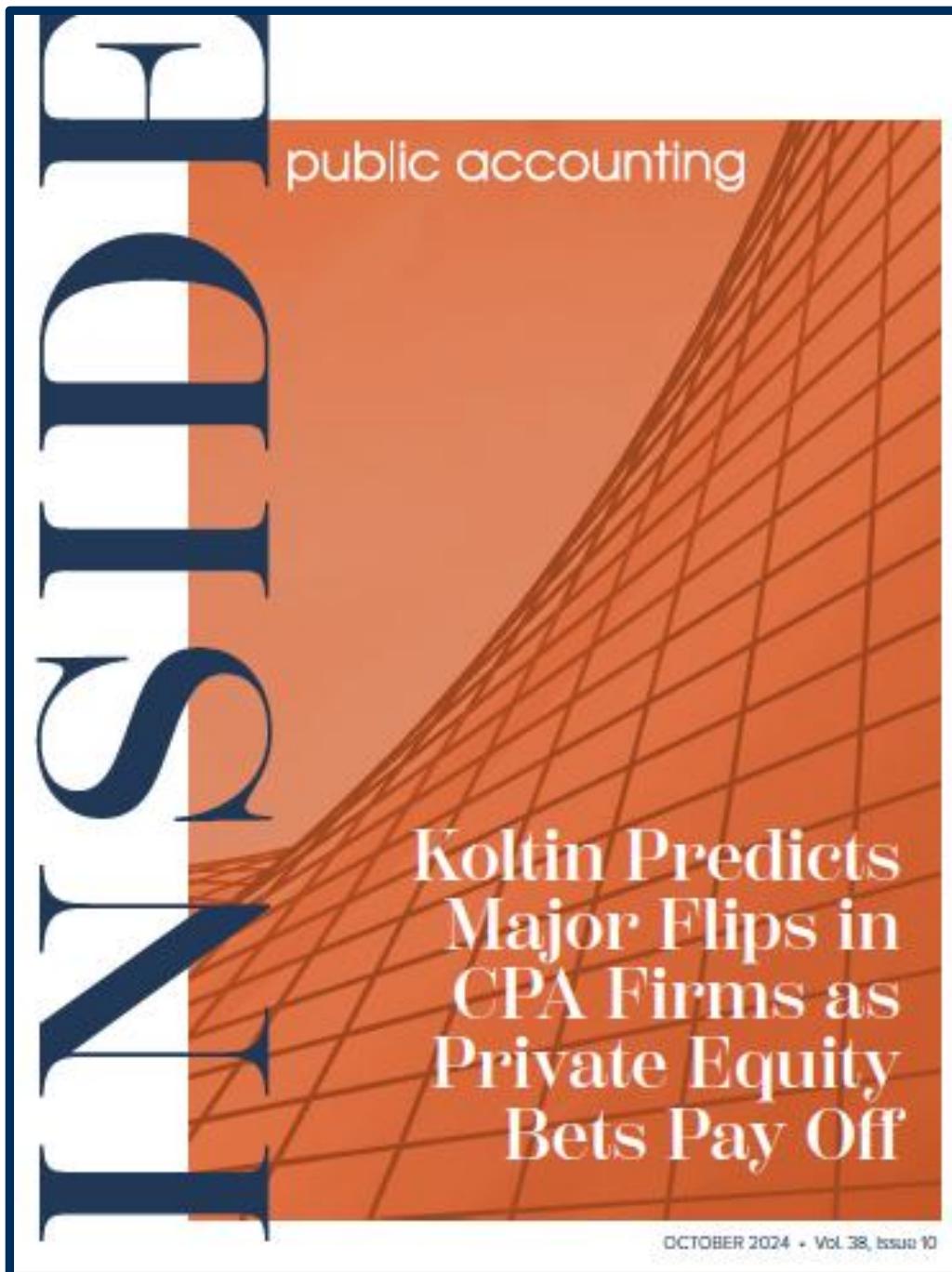


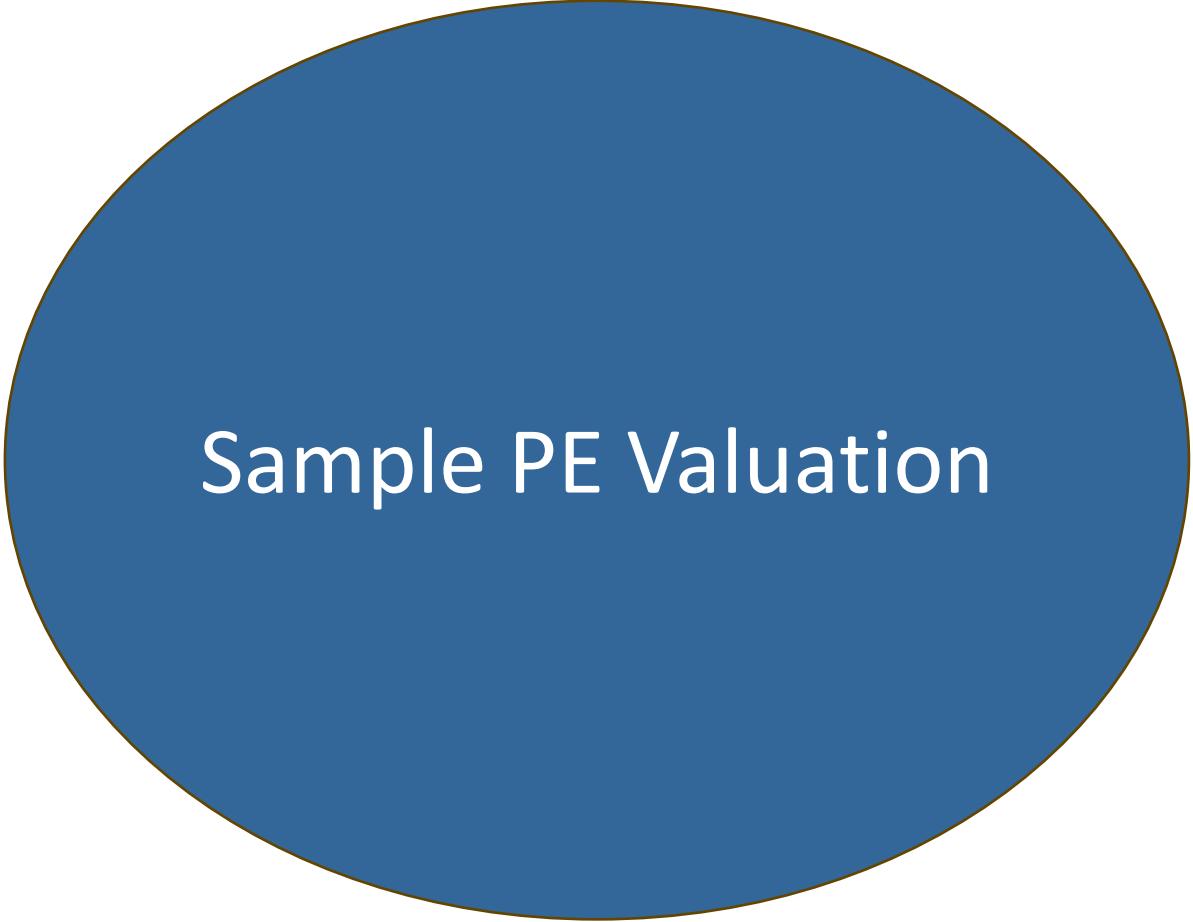
PE Owned CPA Firms vs. Non-PE Owned CPA Firms - Organic Growth Results and Projected Growth

- **2024 organic revenue growth (LTM):** We also note that respondents who indicated their firm has received an investment from external capital (e.g., private equity) reported weighted average growth of 9.6%, compared to 8.5% for those that have not received an external capital investment.
- **2025 organic revenue growth expectations (NTM):** We also note that firms with external financial sponsors expect significantly higher organic growth in 2025, at a rate of 11.2%, compared to 8.7% for non-sponsored firms.

Analyzing the Performance of PE-Backed vs. Non-PE Firms

- **Growth – Fueled by Acquisition** — PE-backed firms significantly outpace their non-PE counterparts in total growth, posting an impressive 38.4% increase compared to just 11.7% for traditionally owned firms. Even when excluding growth from M&A, PE firms still lead with 16.0% organic growth vs. 10.3% for non-PE firms.
- **Shifting Away from Compliance** — PE-backed firms are shifting their focus away from traditional compliance services and toward higher-value offerings. On average, 46.2% of their revenue comes from non-compliance services such as advisory work, compared to 41.8% for non-PE firms.
- **Leaner Operations** — Personnel costs account for 51.6% of revenue in PE firms vs. 53.3% in non-PE firms. Marketing expenses are slightly lower at 1.9% compared to 2.1%, while training costs drop sharply from 0.9% to just 0.4%. Recruiting and technology expenditures also trend lower in PE firms – 0.7% and 4.4% respectively, vs. 0.8% and 5.4% in non-PE firms.
- **Utilization & Turnover – Nearly Identical** — When it comes to employee utilization and turnover, PE-backed and non-PE firms show remarkably similar results. Utilization rates – how much of an employee's time is billable – are nearly identical, with PE firms at 61.0% and non-PE firms at 59.3%. Turnover rates are exactly the same at 14.1% for both groups.
- **Reinvestment Over Payouts** — A key financial distinction between PE-backed and non-PE firms lies in how they allocate their income. ***PE firms distribute 70.3% of their net income to partners, compared to a much higher 95.5% among non-PE firms.***





Sample PE Valuation

Indicative Valuation

Estimated Total Enterprise Value (“TEV”)

		2024E EBITDA Multiple		
		9.5x	10.0x	10.5x
2024E Pro-Forma EBITDA Margin	16%	\$158M	\$166M	\$175M
	17%	\$168M	\$177M	\$186M
	18%	\$178M	\$187M	\$197M

High Level Assumptions:

- Estimated valuation represents TEV on a cash-free, debt-free basis with normalized level of working capital
- Assumes FY2024 revenue of \$104M (based on 9.6% growth from FY2023 revenue of \$95M, in-line with Q3 FY24 YTD growth rate)
- 15% EBITDA margin is in the range of most comparable CPA firms – but with outside scrape a 18%
- Assumes the EBITDA is created in a sustainable way that sets the firm up for future success with limited impact on go-forward business
 - Note: a more aggressive formula to create EBITDA would potentially lead to a lower EBITDA multiple. All EBITDA is not valued equally

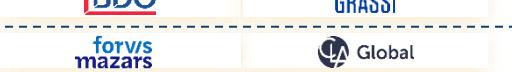
Indicative Deal Structure

Component	Range (% of TEV)		Total Value (Mid-Point)	Considerations
	Low	High		
Equity Consideration	20%	30%	~\$50M	<ul style="list-style-type: none"> • Vests over five years and paid out on liquidity events • Equity is typically the most coveted consideration type given the expected wealth creation opportunity
Cash Consideration	40%	60%	~\$90M	<ul style="list-style-type: none"> • Cash consideration paid out at closing⁽¹⁾
Earnout (Cash payout)	20%	30%	~\$57M	<ul style="list-style-type: none"> • Paid out subject to achieving revenue targets over a three-year period. Typically set with high probability of achievement and used as a tool to create a focus on business plan alignment / execution
Total Enterprise Value			\$197M	
Potential Future Value			~\$350-\$450M	<ul style="list-style-type: none"> • Assuming a 3.0x-5.0x multiple of money on the Equity Consideration

Notes:

(1) To include any assumed DCP liabilities. Typically, subject to a three-year claw-back mechanism

CPA/OCFO Firm Transformations: Private Equity, ESOPs, Wealth Management, & Global Firms

TRANSFORMATION ARCHETYPE	DESCRIPTION & DYNAMICS	NOT EXHAUSTIVE - SEE NEXT PAGE
 "The Mother Ship"	<ul style="list-style-type: none"> <i>Private Equity:</i> A Top 25 CPA firm sells a majority stake (~50-70%) of the business to PE 	
 "The Roll-Up"	<ul style="list-style-type: none"> Acquisitions by a platform (often PE-owned) of smaller, typically regional, players (~\$10-100M) Bolt-on assets are consolidated into the platform to achieve multiple arbitrage at exit 	
 "Wealth Management"	<ul style="list-style-type: none"> The sale of a CPA firm's Wealth Management business to PE to raise capital to drive growth while preserving firm independence 	
 "Ownership Transition"	<ul style="list-style-type: none"> <i>ESOP:</i> Ownership transfer to employees to retain independence and create tax advantages <i>International Networks:</i> A multi-firm structure to pool resources to expand coverage 	
 "Megamergers"	<ul style="list-style-type: none"> The merger of multiple Top 25 CPA firms of similar sizes, enabling instant scale 	
 "The Carve Out"	<ul style="list-style-type: none"> The sale of divisions or subsidiaries to reward shareholders and invest profits back in growth 	
 "Public Company Ownership"	<ul style="list-style-type: none"> A public offering to raise capital for acquisitions, growth, etc. or as an exit strategy for early investors 	
 "Non-PE-Owned CPA"	<ul style="list-style-type: none"> A less frequent option used by CPA firms, the sale of CPA firms to wealth managers or other buyers to reduce downside risk in the buyers' core business 	

CPA/OCFO Firm Transformations: Private Equity, ESOPs, Wealth Management, & Global Firms





Thank You!

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