

Private Equity in Accounting: Exclusive insight into what the future looks like

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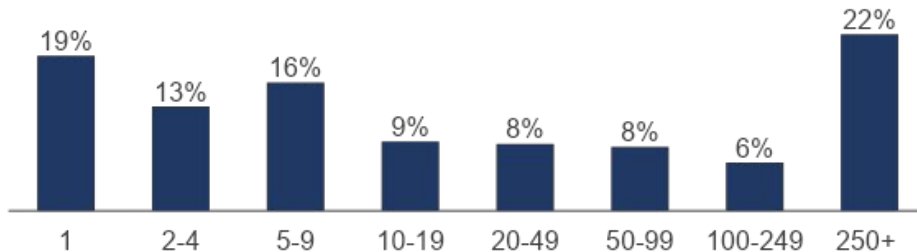
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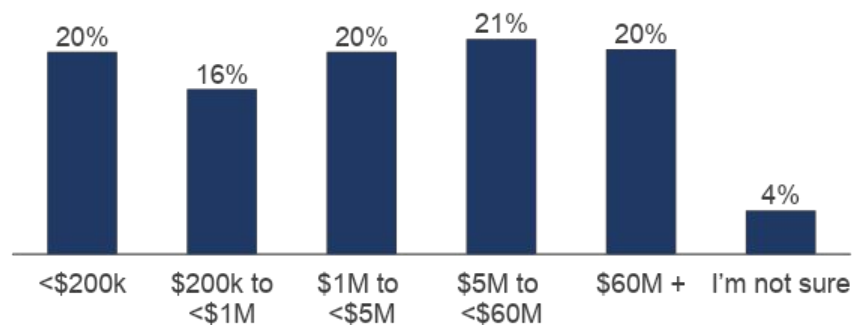
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- Online survey conducted in August and September 2025 among 304 professionals at companies who healthcare benefits to employees.
- To qualify, respondents needed to work at a CPA firm, accounting firm, or tax-only firm of any size.
- Our goal? The purpose of this research is to understand capital needs and the influence of private equity investments on the accounting industry.

Including yourself, how many total employees (full-time equivalent) are employed by your firm?

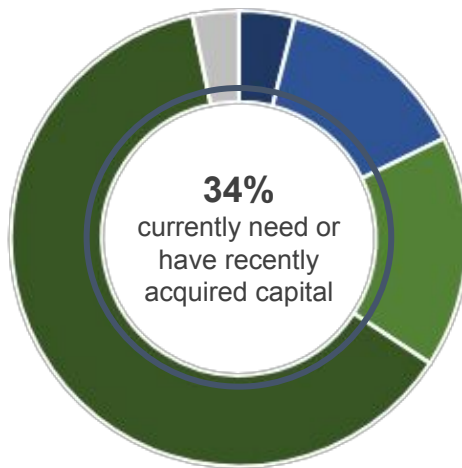


Roughly what were your firm's net revenues in 2024?



1 in 3 firms report they have a current need for capital or they have recently acquired capital

Is your firm currently in need of capital?



Poll Question

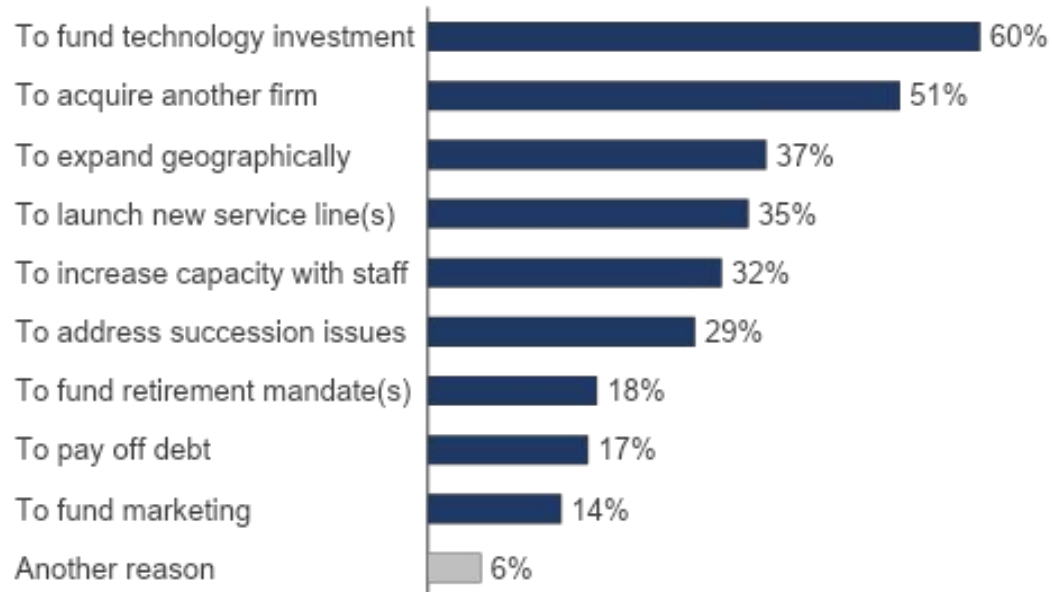
Allow multiple responses

Why does your firm need capital / Why did your firm recently acquire capital?

- To fund technology investment
- To acquire another firm
- To expand geographically
- To launch new service line(s)
- To increase capacity with staff
- To address succession issues
- To fund retirement mandate(s)
- To pay off debt
- To fund marketing
- Another reason

For firms requiring capital, technology investments and firm acquisitions are the most common drivers behind that need

Why does your firm need capital / Why did your firm recently acquire capital?



Poll Question

Should most PE investment be allocated to technologies that increase internal efficiency or to technologies that enable new service-line growth?

- *Technologies that increase internal efficiency*
- *Technologies that enable new service-line growth*

Growth and buyouts dominate incentives for private equity investment in the accounting space

Why did your firm ultimately decide to take up private equity investment?

CODED OPEN-END RESPONSES



Concerns about maintaining client relationships/service quality, employee retention and operational integration may be influencing sentiment

What are the top three challenges for private equity backed firms?



Most say that private equity ownership in accounting firms adds complexity to auditor independence, regulatory compliance, and risk management

Do you think private equity ownership in accounting firms adds complexity to any of the following?



Poll Question

Do you think increased private equity investment in accounting firms will cause a shift in the services firms most often offer?

- Yes, a significant shift will occur
- Yes, a moderate shift will occur
- Yes, a slight shift will occur
- No, private equity investment will not broadly cause a shift in service mix

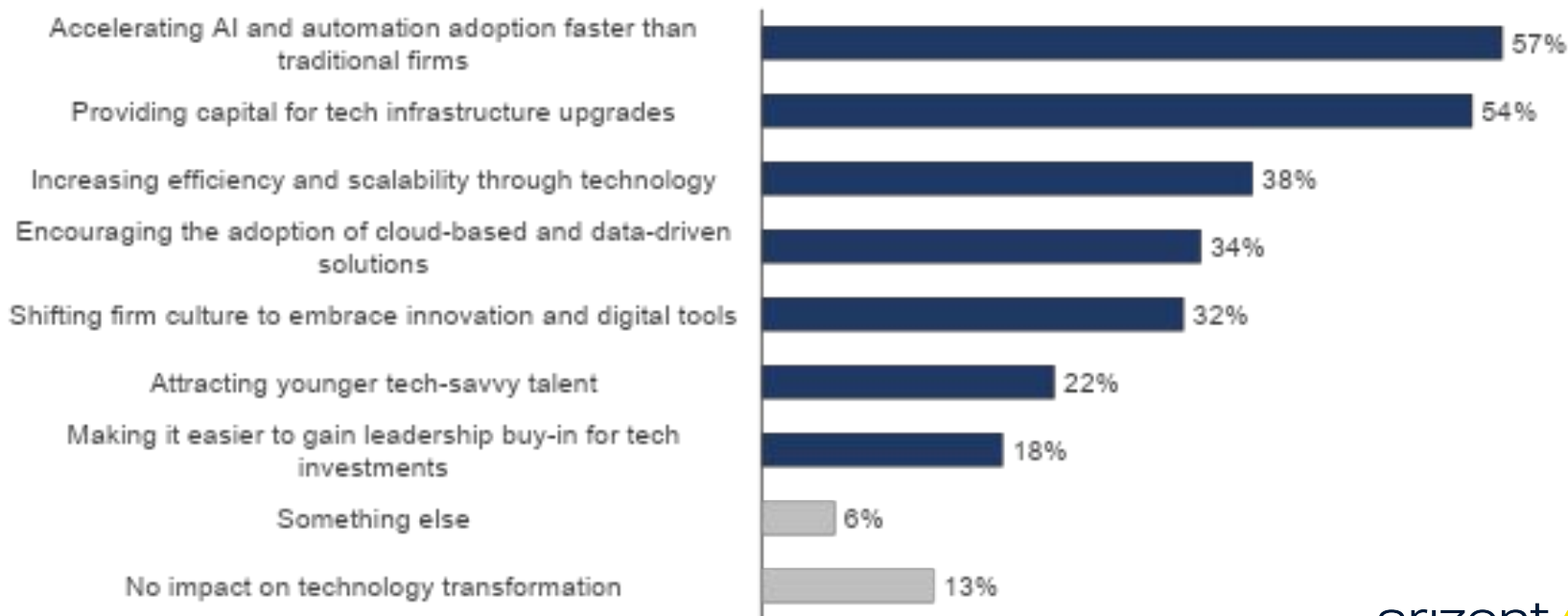
Nearly all professionals agree there will be a shift in services firms most often offer due to increased PE investment; more than one-third predict a significant shift

Do you think increased private equity investment in accounting firms will cause a shift in the services firms most often offer?



A majority say that PE investment influences AI adoption, automation, and tech infrastructure improvements the most at PE-backed firms

Is private equity investment driving any of the following technological transformations at PE-backed firms?



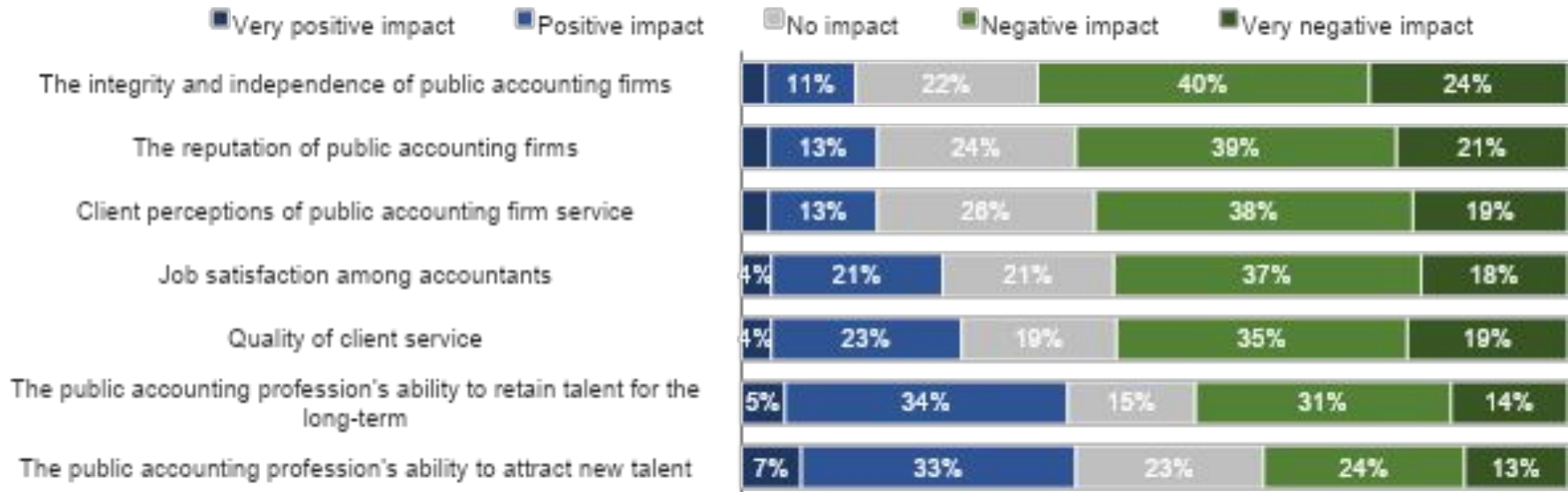
Poll Question

What kind of impact will private equity investment in accounting firms have on **the integrity and independence of public accounting firms** over the next 5-10 years?

- Very positive impact
- Positive impact
- No impact
- Negative impact
- Very negative impact

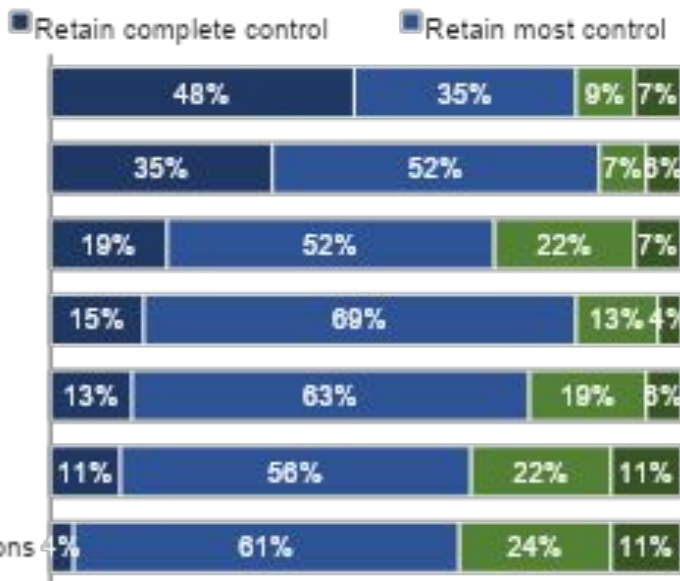
Sentiment surrounding PE investment's influence on accounting is mostly negative, with concerns centered around long-term health of the industry

What kind of impact will private equity investment in accounting firms have on the following elements over the next 5-10 years?

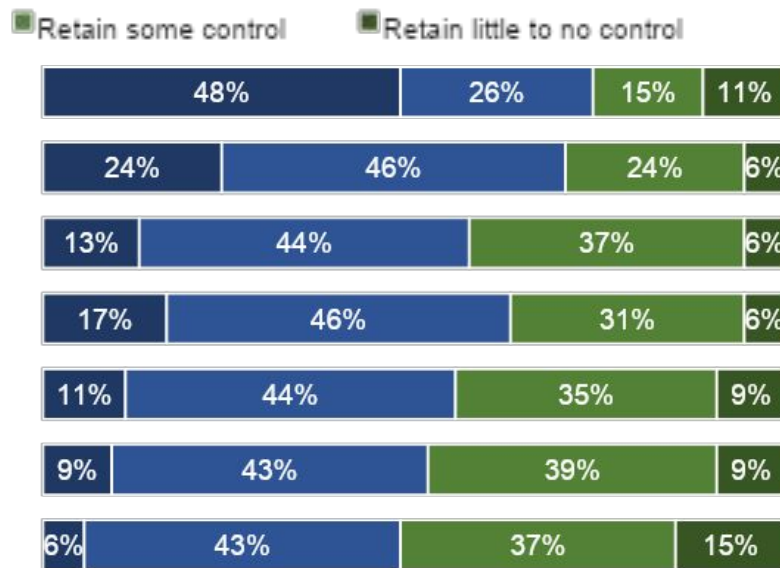


Professionals tend to have more positive expectations for firm autonomy *prior* to their PE partnership; sentiment around perceived autonomy decreases *after* making the move to partner with PE

How much independence as a firm did you expect to retain when you partnered with your private equity investor?



And how much independence as a firm do you currently have since your private equity partnership?



2-in-10 professionals report that their private equity investor plans to sell equity in their firm within the next two years

Does your private equity investor plan to sell their equity in your firm?



Q&A

Thank you!