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

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): **February 16, 2023**

FOCUS FINANCIAL PARTNERS INC.
(Exact name of registrant as specified in its charter)

Delaware	**001-38604**	**47-4780811**
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

875 Third Avenue, **28th Floor**
New York, NY 10022
(Address of principal executive offices)
(Zip Code)

(646) 519-2456
Registrant's Telephone Number, Including Area Code

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A common stock, par value $0.01 per share	FOCS	Nasdaq Global Select Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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. ☐

Item 2.02 Results of Operations and Financial Condition.

On February 16, 2023, Focus Financial Partners Inc. (the "Company") issued a press release reporting results for its fourth quarter and full year ended December 31, 2022. A copy of the press release is furnished with this Current Report on Form 8-K (this "Current Report") as Exhibit 99.1.

Item 7.01 Regulation FD Disclosure.

The information set forth under Item 2.02 is incorporated by reference as if fully set forth herein.

On February 16, 2023, the Company also posted a slide presentation entitled "Fourth Quarter & Full Year 2022 Earnings Release Supplement" dated February 16, 2023 to the "Events" section of the "Investor Relations" section of its website (www.focusfinancialpartners.com). A copy of the slide presentation is furnished with this Current Report as Exhibit 99.2.

The information in this Current Report, being furnished pursuant to Items 2.02, 7.01 and 9.01, shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, and is not incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
99.1	Focus Financial Partners Inc. Press Release, dated February 16, 2023.
99.2	Focus Financial Partners Inc. Slide Presentation, dated February 16, 2023.
104	Cover Page Interactive Data File - the cover page iXBRL tags are embedded within the inline XBRL document.

SIGNATURES

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 hereunto duly authorized.

FOCUS FINANCIAL PARTNERS INC.

By: /s/ J. Russell McGranahan
J. Russell McGranahan
General Counsel

Dated: February 16, 2023

Exhibit 99.1

Focus Financial Partners Reports Fourth Quarter and Full Year 2022 Results

Solid Full-Year Performance, Demonstrating Business Resiliency and Momentum Despite the Challenging Macro Environment

New York, New York – February 16, 2023 – Focus Financial Partners Inc. (Nasdaq: FOCS) ("Focus Inc.", "Focus", the "Company", "we", "us" or "our"), a leading partnership of independent, fiduciary wealth management firms, today reported results for its fourth quarter and full year ended December 31, 2022.

Fourth Quarter 2022 Highlights

- Total revenues of $547.7 million, 4.5% growth year over year
- Organic revenue growth[(1)] rate of negative 3.5% year over year
- GAAP net loss of $1.4 million
- GAAP basic income per share of Class A common stock of $0.01 and diluted loss per share of Class A common stock of ($0.07)
- Adjusted Net Income Excluding Tax Adjustments[(2)] of $65.7 million and Tax Adjustments[(3)] of $16.9 million
- Adjusted Net Income Excluding Tax Adjustments Per Share[(2)] of $0.79 and Tax Adjustments[(3)] Per Share[(2)] of $0.20
- Completed credit refinancing in November including a new $240 million term loan
- Net Leverage Ratio[(4)] of 4.19x

Full Year 2022 Highlights

- Total revenues of $2.1 billion, 19.2% growth year over year
- Organic revenue growth[(1)] rate of 8.5% year over year
- GAAP net income of $125.3 million
- GAAP basic and diluted income per share of Class A common stock of $1.40 and $1.39, respectively
- Adjusted Net Income Excluding Tax Adjustments[(2)] of $300.5 million and Tax Adjustments[(3)] of $64.4 million
- Adjusted Net Income Excluding Tax Adjustments Per Share[(2)] of $3.62 and Tax Adjustments[(3)] Per Share[(2)] of $0.77
- Net cash provided by operating activities for the trailing 4-quarters ended December 31, 2022 of $288.6 million
- LTM Cash Flow Available for Capital Allocation[(2)] for the trailing 4-quarters ended December 31, 2022 of $317.7 million
- 24 transactions closed in 2022, including 5 new partner firms and 19 mergers on behalf of partner firms

(1) Please see footnote 2 under "How We Evaluate Our Business" later in this press release.
(2) Non-GAAP financial measures. Please see "Reconciliation of Non-GAAP Financial Measures" later in this press release for a reconciliation and more information on these measures.
(3) Please see footnote 6 under "How We Evaluate Our Business" later in this press release.
(4) Please see footnote 7 under "How We Evaluate Our Business" later in this press release.

"Despite the challenging macro environment throughout 2022, our full-year growth and financial performance were solid," said Rudy Adolf, Founder, CEO and Chairman of Focus. "Our core value proposition, capital allocation discipline and scale were instrumental to helping us navigate the volatile markets and position us to capitalize on an eventual recovery. The depth and diversification of our global partnership, our strong M&A momentum and our array of value-added programs were integral to this outcome. These elements reinforce our competitive differentiation and our leadership advantage in independent wealth management."

"Our business further demonstrated its resiliency in 2022 with the hallmarks of how we invest and grow our business again clearly evident," said Jim Shanahan, Chief Financial Officer of Focus. "Our results reflect the excellent job our partners did in managing their businesses and advising their clients during a year in which the value of prudent fiduciary advice was notable. They also further reinforced the value of the diverse and recurring nature of our revenues and the benefits of our variable cost base and our earnings preference. Collectively these attributes have enabled our business to weather volatile market conditions over multiple quarters while mitigating the downside risk to our earnings. Our global partnership has created enduring scale advantages, reinforcing the sustainability of our strong growth over the long term."

Fourth Quarter 2022 Financial Highlights

Total revenues were $547.7 million, 4.5%, or $23.8 million higher than the 2021 fourth quarter. The increase was primarily attributable to $14.6 million of revenues from new partner firms acquired during the last twelve months. Our year-over-year organic revenue growth rate(1) was negative 3.5%, better than our estimated negative 10% for the quarter.

An estimated 72.0%, or $394.3 million, of total revenues in the quarter were correlated to the financial markets. Of this amount, 64.5%, or $254.3 million, were generated from advance billings generally based on market levels in the 2022 third quarter. The remaining 28.0%, or $153.4 million, were not correlated to the markets. These revenues typically consist of family office type services, tax advice and fixed fees for investment advice, primarily for high and ultra-high net worth clients.

GAAP net loss was ($1.4) million compared to net income of $14.9 million in the prior year quarter. GAAP basic income per share of Class A common stock was $0.01 and diluted loss per share of Class A common stock was ($0.07), as compared to $0.12 for both basic and diluted income per share of Class A common stock in the prior year quarter.

Adjusted EBITDA(2) was $136.7 million, 5.9%, or $7.7 million, higher than the prior year period. Our Adjusted EBITDA margin(3) was 25.0%, above our outlook of approximately 23% for the quarter reflecting the effect of higher non-market correlated revenues and lower compensation expense.

Adjusted Net Income Excluding Tax Adjustments(2) was $65.7 million, and Tax Adjustments(4) was $16.9 million. Adjusted Net Income Excluding Tax Adjustments Per Share(2) was $0.79, down 16.0% compared to the prior year period, and Tax Adjustments Per Share(2) was $0.20, up 25.0% compared to the prior year period.

(1) Please see footnote 2 under "How We Evaluate Our Business" later in this press release.
(2) Non-GAAP financial measures. Please see "Reconciliation of Non-GAAP Financial Measures" later in this press release for a reconciliation and more information on these measures.
(3) Calculated as Adjusted EBITDA divided by Revenues.
(4) Please see footnote 6 under "How We Evaluate Our Business" later in this press release.

2022 Full Year Financial Highlights

Total revenues were $2.1 billion, 19.2%, or $345.4 million higher than the prior year. The primary driver of this increase was revenue growth from our existing partner firms of approximately $315.5 million. The majority of this amount was driven by higher wealth management fees, which included the effect of mergers completed by our partner firms as well as a full period of revenues recognized during 2022 for partner firms acquired during the last twelve months. Six partner firms, which closed in the prior year on December 31, 2021, contributed $91.3 million of this increase. The balance of $29.9 million was attributable to revenues from new partner firms acquired during the last twelve months. Our year-over-year organic revenue growth rate(1) was 8.5%.

GAAP net income was $125.3 million compared to $24.4 million in the prior year. GAAP basic and diluted income per share of Class A common stock was $1.40 and $1.39, respectively, as compared to $0.18 for both basic and diluted income per share of Class A common stock in the prior year.

Adjusted EBITDA(2) was $537.5 million, 19.1%, or $86.2 million, higher than the prior year. Our Adjusted EBITDA margin(3) was 25.1%.

Adjusted Net Income Excluding Tax Adjustments(2) was $300.5 million, and Tax Adjustments(4) was $64.4 million. Adjusted Net Income Excluding Tax Adjustments Per Share(2) was $3.62, up 7.7% compared to the prior year, and Tax Adjustments Per Share(2) was $0.77, up 37.5% compared to the prior year.

(1) Please see footnote 2 under "How We Evaluate Our Business" later in this press release.
(2) Non-GAAP financial measures. Please see "Reconciliation of Non-GAAP Financial Measures" later in this press release for a reconciliation and more information on these measures.
(3) Calculated as Adjusted EBITDA divided by Revenues.
(4) Please see footnote 6 under "How We Evaluate Our Business" later in this press release.

Balance Sheet and Liquidity

As of December 31, 2022, cash and cash equivalents were $140.0 million and debt outstanding under our credit facilities was approximately $2.6 billion.

Our Net Leverage Ratio[(1)] as of December 31, 2022 was 4.19x. We remain committed to maintaining our Net Leverage Ratio[(1)] between 3.5x to 4.5x and believe this is the appropriate range for our business given our highly acquisitive nature.

As of December 31, 2022, $850 million, or 33.2%, of the debt outstanding under our credit facilities had SOFR swapped from a floating rate to a fixed weighted average interest rate of 53 basis points plus a spread of 325 basis points. The residual amount of approximately $1.7 billion remains at floating rates, with $808.4 million of this amount at an interest rate of SOFR (subject to a 50 basis point floor) plus 250 basis points spread, and $905.6 million of this amount at an interest rate of SOFR (subject to a 50 basis point floor) plus 325 basis points spread. We typically use 30-day Term SOFR for our term loans.

Our net cash provided by operating activities for the trailing four quarters ended December 31, 2022 was $288.6 million compared to $313.9 million for the comparable prior year period. Our Cash Flow Available for Capital Allocation[(2)] for the trailing four quarters ended December 31, 2022 was $317.7 million compared to $319.9 million for the comparable prior year period. In the 2022 fourth quarter, we paid $32.6 million in cash earn-out obligations and $6.4 million of required amortization under our First Lien Term Loans.

(1) Please see footnote 7 under "How We Evaluate Our Business" later in this press release.
(2) Non-GAAP financial measure. See "Reconciliation of Non-GAAP Financial Measures—Cash Flow Available for Capital Allocation" later in this press release.

Teleconference, Webcast and Presentation Information

Founder, CEO and Chairman, Rudy Adolf, and Chief Financial Officer, Jim Shanahan, will host a conference call today, February 16, 2023 at 8:30 a.m. Eastern Time to discuss the Company's 2022 fourth quarter and full year results and outlook. The call can be accessed by dialing +1-877-407-0989 (callers inside the U.S.) or +1-201-389-0921 (callers outside the U.S.).

A live, listen-only webcast, together with a slide presentation titled "Fourth Quarter & Full Year 2022 Earnings Release Supplement" dated February 16, 2023 will be available under Events in the Investor Relations section of the Company's website, www.focusfinancialpartners.com. A webcast replay of the call will be available shortly after the event at the same address. Registration for the call will begin 15 minutes prior to the start of the call, using the following link.

Due to our recently announced acquisition proposal and exclusivity arrangement with Clayton, Dubilier & Rice, we do not expect to take questions after the prepared remarks.

About Focus Financial Partners Inc.

Focus Financial Partners Inc. is a leading partnership of independent, fiduciary wealth management firms. Focus provides access to best practices, resources, and continuity planning for its partner firms who serve individuals, families, employers and institutions with comprehensive wealth management services. Focus partner firms maintain their operational independence, while they benefit from the synergies, scale, economics and best practices offered by Focus to achieve their business objectives.

Cautionary Note Concerning Forward-Looking Statements

The foregoing information contains certain forward-looking statements that reflect the Company's current views with respect to certain current and future events and financial performance. These forward-looking statements are and will be, as the case may be, subject to many risks, uncertainties and factors relating to the Company's operations and business environment which may cause the Company's actual results to be materially different from any future results, expressed or implied, in these forward-looking statements. Any forward-looking statements in this release are based upon information available to the Company on the date of this release. The Company does not undertake to publicly update or revise its forward-looking statements even if experience or future changes make it clear that any statements expressed or implied therein will not be realized. Additional information on risk factors that could potentially affect the Company's financial results may be found in the Company's annual report on Form 10-K for the year ended December 31, 2022 filed and our other filings with the Securities and Exchange Commission.

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How We Evaluate Our Business

We focus on several key financial metrics in evaluating the success of our business, the success of our partner firms and our resulting financial position and operating performance. Key metrics for the three and twelve months ended December 31, 2021 and 2022 include the following:

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2021	2022	2021	2022
	(dollars in thousands, except per share data)			
Revenue Metrics:				
Revenues	$ 523,886	$ 547,679	$ 1,797,951	$ 2,143,321
Revenue growth (1) from prior period	38.0%	4.5%	32.1%	19.2%
Organic revenue growth (2) from prior period	26.6%	(3.5)%	24.0%	8.5%
Management Fees Metrics (operating expense):				
Management fees	$ 145,990	$ 132,717	$ 491,433	$ 530,329
Management fees growth (3) from prior period	42.6%	(9.1)%	40.6%	7.9%
Organic management fees growth (4) from prior period	30.8%	(14.1)%	32.1%	(0.4)%
Net Income (Loss) Metrics:				
Net income (loss)	$ 14,935	$ (1,411)	$ 24,440	$ 125,278
Net income (loss) growth from prior period	94.6%	*	(50.1)%	*
Income per share of Class A common stock:				
Basic	$ 0.12	$ 0.01	$ 0.18	$ 1.40
Diluted	$ 0.12	$ (0.07)	$ 0.18	$ 1.39
Income per share of Class A common stock growth from prior period:				
Basic	71.4%	(91.7)%	(69.0)%	*
Diluted	71.4%	*	(68.4)%	*
Adjusted EBITDA Metrics:				
Adjusted EBITDA (5)	$ 129,000	$ 136,666	$ 451,296	$ 537,456
Adjusted EBITDA growth (5) from prior period	42.2%	5.9%	40.3%	19.1%
Adjusted Net Income Excluding Tax Adjustments Metrics:				
Adjusted Net Income Excluding Tax Adjustments (5)	$ 78,911	$ 65,744	$ 278,681	$ 300,548
Adjusted Net Income Excluding Tax Adjustments growth (5) from prior period	38.5%	(16.7)%	42.5%	7.8%
Tax Adjustments				
Tax Adjustments (5)(6)	$ 13,440	$ 16,905	$ 46,805	$ 64,359
Tax Adjustments growth from prior period (5)(6)	36.4%	25.8%	25.6%	37.5%

* Not meaningful

	Three Months Ended December 31,				Twelve Months Ended December 31,			
	2021		2022		2021		2022	
	(dollars in thousands, except per share data)							
Adjusted Net Income Excluding Tax Adjustments Per Share and Tax Adjustments Per Share Metrics:								
Adjusted Net Income Excluding Tax Adjustments Per Share (5)	$	0.94	$	0.79	$	3.36	$	3.62
Tax Adjustments Per Share (5)(6)	$	0.16	$	0.20	$	0.56	$	0.77
Adjusted Net Income Excluding Tax Adjustments Per Share growth (5) from prior period		30.6%		(16.0)%		36.6%		7.7%
Tax Adjustments Per Share growth from prior period (5)(6)		33.3%		25.0%		19.1%		37.5%
Adjusted Shares Outstanding								
Adjusted Shares Outstanding (5)		83,575,753		83,210,551		82,893,928		83,093,073
Other Metrics:								
Net Leverage Ratio (7) at period end		3.85x		4.19x		3.85x		4.19x
Acquired Base Earnings (8)	$	49,487	$	7,269	$	71,400	$	26,568
Number of partner firms at period end (9)		84		88		84		88

(1) Represents period-over-period growth in our GAAP revenue.

(2) Organic revenue growth represents the period-over-period growth in revenue related to partner firms, including growth related to acquisitions of wealth management practices and customer relationships by our partner firms, including Connectus, and partner firms that have merged, that for the entire periods presented, are included in our consolidated statements of operations for each of the entire periods presented. We believe these growth statistics are useful in that they present full-period revenue growth of partner firms on a "same store" basis exclusive of the effect of the partial period results of partner firms that are acquired during the comparable periods.

(3) The terms of our management agreements entitle the management companies to management fees typically consisting of all Earnings Before Partner Compensation ("EBPC") in excess of Base Earnings up to Target Earnings, plus a percentage of any EBPC in excess of Target Earnings. Management fees growth represents the period-over-period growth in GAAP management fees earned by management companies. While an expense, we believe that growth in management fees reflect the strength of the partnership.

(4) Organic management fees growth represents the period-over-period growth in management fees earned by management companies related to partner firms, including growth related to acquisitions of wealth management practices and customer relationships by our partner firms and partner firms that have merged, that for the entire periods presented, are included in our consolidated statements of operations for each of the entire periods presented. We believe that these growth statistics are useful in that they present full-period growth of management fees on a "same store" basis exclusive of the effect of the partial period results of partner firms that are acquired during the comparable periods.

(5) For additional information regarding Adjusted EBITDA, Adjusted Net Income Excluding Tax Adjustments, Adjusted Net Income Excluding Tax Adjustments Per Share, Tax Adjustments, Tax Adjustments Per Share and Adjusted Shares Outstanding, including a reconciliation of Adjusted EBITDA, Adjusted Net Income Excluding Tax Adjustments and Adjusted Net Income Excluding Tax Adjustments Per Share to the most directly comparable GAAP financial measure, please read "—Adjusted EBITDA" and "—Adjusted Net Income Excluding Tax Adjustments and Adjusted Net Income Excluding Tax Adjustments Per Share."

(6) Tax Adjustments represent the tax benefits of intangible assets, including goodwill, associated with deductions allowed for tax amortization of intangible assets in the respective periods based on a pro forma 27% income tax rate. Such amounts were generated from acquisitions completed where we received a step-up in basis for tax purposes. Acquired intangible assets may be amortized for tax purposes, generally over a 15-year period. Due to our acquisitive nature, tax deductions allowed on acquired intangible assets provide additional significant supplemental economic benefit. The tax benefit from amortization is included to show the full economic benefit of deductions for acquired intangible assets with the step-up in tax basis. As of December 31, 2022, estimated Tax Adjustments from intangible asset related income tax benefits from closed acquisitions based on a pro forma 27% income tax rate for the next 12 months is $67.8 million.

(7) Net Leverage Ratio represents the First Lien Leverage Ratio (as defined in the Credit Facility), and means the ratio of amounts outstanding under the First Lien Term Loan A, First Lien Term Loan B and First Lien Revolver plus other outstanding debt obligations secured by a lien on the assets of Focus LLC (excluding letters of credit other than unpaid drawings thereunder) minus unrestricted cash and cash equivalents to Consolidated EBITDA (as defined in the Credit Facility).

(8) The terms of our management agreements entitle the management companies to management fees typically consisting of all future EBPC of the acquired wealth management firm in excess of Base Earnings up to Target Earnings, plus a percentage of any EBPC in excess of Target Earnings. Acquired Base Earnings is equal to our preferred position in Base Earnings or comparable measures. We are entitled to receive these earnings notwithstanding any earnings that we are entitled to receive in excess of Target Earnings. Base Earnings may change in future periods for various business or contractual matters. For example, from time to time when a partner firm consummates an acquisition, the management agreement among the partner firm, the management company and the principals is amended to adjust Base Earnings and Target Earnings to reflect the projected post acquisition earnings of the partner firm.

(9) Represents the number of partner firms on the last day of the period presented.

Condensed Consolidated Financial Statements

FOCUS FINANCIAL PARTNERS INC.
Condensed Consolidated Statements of Operations
(in thousands, except share and per share amounts)

	For the three months ended December 31,		For the twelve months ended December 31,	
	2021	2022	2021	2022
REVENUES:				
Wealth management fees	$ 503,583	$ 524,711	$ 1,717,365	$ 2,056,328
Other	20,303	22,968	80,586	86,993
Total revenues	523,886	547,679	1,797,951	2,143,321
OPERATING EXPENSES:				
Compensation and related expenses	166,784	183,640	591,121	729,891
Management fees	145,990	132,717	491,433	530,329
Selling, general and administrative	89,155	103,081	297,636	376,417
Intangible amortization	54,807	69,586	187,848	261,842
Non-cash changes in fair value of estimated contingent consideration	16,175	17,703	112,416	(64,747)
Depreciation and other amortization	3,790	3,827	14,625	15,281
Total operating expenses	476,701	510,554	1,695,079	1,849,013
INCOME FROM OPERATIONS	47,185	37,125	102,872	294,308
OTHER INCOME (EXPENSE):				
Interest income	112	645	422	791
Interest expense	(17,108)	(35,888)	(55,001)	(99,887)
Amortization of debt financing costs	(1,102)	(1,000)	(3,958)	(3,999)
Loss on extinguishment of borrowings	—	(1,807)	—	(1,807)
Other expense—net	(118)	(7,536)	(337)	(11,370)
Income from equity method investments	10	162	524	319
Total other expense—net	(18,206)	(45,424)	(58,350)	(115,953)
INCOME (LOSS) BEFORE INCOME TAX	28,979	(8,299)	44,522	178,355
INCOME TAX EXPENSE (BENEFIT)	14,044	(6,888)	20,082	53,077
NET INCOME (LOSS)	14,935	(1,411)	24,440	125,278
Non-controlling interest	(7,405)	1,761	(14,028)	(33,494)
NET INCOME ATTRIBUTABLE TO COMMON SHAREHOLDERS	$ 7,530	$ 350	$ 10,412	$ 91,784
Income per share of Class A common stock:				
Basic	$ 0.12	$ 0.01	$ 0.18	$ 1.40
Diluted	$ 0.12	$ (0.07)	$ 0.18	$ 1.39
Weighted average shares of Class A common stock outstanding:				
Basic	61,290,333	65,883,284	57,317,477	65,552,592
Diluted	61,939,734	82,170,919	57,831,151	65,810,215

FOCUS FINANCIAL PARTNERS INC.
Condensed Consolidated Balance Sheets
(in thousands, except share and per share amounts)

	December 31, 2021	December 31, 2022
ASSETS		
Cash and cash equivalents	$ 310,684	$ 139,973
Accounts receivable less allowances of $3,255 at 2021 and $3,862 at 2022	198,827	217,219
Prepaid expenses and other assets	123,826	151,356
Fixed assets—net	47,199	54,748
Operating lease assets	249,850	258,697
Debt financing costs—net	4,254	7,590
Deferred tax assets—net	267,332	230,130
Goodwill	1,925,315	2,167,917
Other intangible assets—net	1,581,719	1,639,124
TOTAL ASSETS	$ 4,709,006	$ 4,866,754
LIABILITIES AND EQUITY		
LIABILITIES		
Accounts payable	$ 11,580	$ 12,213
Accrued expenses	72,572	80,679
Due to affiliates	105,722	70,974
Deferred revenue	10,932	10,726
Contingent consideration and other liabilities	468,284	335,033
Deferred tax liabilities	31,973	29,579
Operating lease liabilities	277,324	288,895
Borrowings under credit facilities (stated value of $2,407,302 and $2,563,970 at December 31, 2021 and December 31, 2022, respectively)	2,393,669	2,510,749
Tax receivable agreements obligations	219,542	224,611
TOTAL LIABILITIES	3,591,598	3,563,459
EQUITY		
Class A common stock, par value $0.01, 500,000,000 shares authorized; 65,320,124 and 65,929,644 shares issued and outstanding at December 31, 2021 and December 31, 2022, respectively	653	659
Class B common stock, par value $0.01, 500,000,000 shares authorized; 11,439,019 and 11,827,321 shares issued and outstanding at December 31, 2021 and December 31, 2022, respectively	114	118
Additional paid-in capital	841,753	918,044
Retained earnings	24,995	116,779
Accumulated other comprehensive income	3,029	18,318
Total shareholders' equity	870,544	1,053,918
Non-controlling interest	246,864	249,377
Total equity	1,117,408	1,303,295
TOTAL LIABILITIES AND EQUITY	$ 4,709,006	$ 4,866,754

FOCUS FINANCIAL PARTNERS INC.
Condensed Consolidated Statements of Cash Flows
(in thousands)

	For the twelve months ended December 31, 2021	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 24,440	$ 125,278
Adjustments to reconcile net income to net cash provided by operating activities—net of effect of acquisitions:		
Intangible amortization	187,848	261,842
Depreciation and other amortization	14,625	15,281
Amortization of debt financing costs	3,958	3,999
Non-cash equity compensation expense	31,602	30,453
Non-cash changes in fair value of estimated contingent consideration	112,416	(64,747)
Income from equity method investments	(524)	(319)
Distributions received from equity method investments	1,143	1,396
Deferred taxes and other non-cash items	(8,568)	32,243
Loss on extinguishment of borrowings	—	1,807
Changes in cash resulting from changes in operating assets and liabilities:		
Accounts receivable	(32,006)	(16,778)
Prepaid expenses and other assets	2,103	(245)
Accounts payable	486	(82)
Accrued expenses	14,444	10,445
Due to affiliates	38,831	(35,060)
Contingent consideration and other liabilities	(77,423)	(74,765)
Deferred revenue	543	(2,149)
Net cash provided by operating activities	313,918	288,599
CASH FLOWS FROM INVESTING ACTIVITIES:		
Cash paid for acquisitions and contingent consideration—net of cash acquired	(979,062)	(461,522)
Purchase of fixed assets	(11,018)	(21,017)
Investments and other, net	(17,232)	7,358
Net cash used in investing activities	(1,007,312)	(475,181)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Borrowings under credit facilities	1,318,375	1,998,900
Repayments of borrowings under credit facilities	(425,320)	(1,873,332)
Proceeds from issuance of common stock, net	219,636	—
Payments in connection with unit redemption, net	(57,735)	—
Payments in connection with tax receivable agreements	(4,423)	(3,856)
Contingent consideration paid	(78,092)	(62,025)
Payments of deferred cash consideration	—	(1,484)
Payments of debt financing costs	(8,282)	(19,072)
Proceeds from exercise of stock options	8,350	1,158
Equity awards withholding	(1,343)	(685)
Other	(58)	372
Distributions for unitholders	(32,311)	(22,984)
Net cash provided by financing activities	938,797	16,992
EFFECT OF EXCHANGE RATES ON CASH AND CASH EQUIVALENTS	(577)	(1,121)
CHANGE IN CASH AND CASH EQUIVALENTS	244,826	(170,711)
CASH AND CASH EQUIVALENTS:		
Beginning of period	65,858	310,684
End of period	$ 310,684	$ 139,973

Reconciliation of Non-GAAP Financial Measures

Adjusted EBITDA

Adjusted EBITDA is a non-GAAP measure. Adjusted EBITDA is defined as net income (loss) excluding interest income, interest expense, income tax expense (benefit), amortization of debt financing costs, intangible amortization and impairments, if any, depreciation and other amortization, non-cash equity compensation expense, non-cash changes in fair value of estimated contingent consideration, loss on extinguishment of borrowings, other expense—net and secondary offering expenses, if any. We believe that Adjusted EBITDA, viewed in addition to and not in lieu of, our reported GAAP results, provides additional useful information to investors regarding our performance and overall results of operations for various reasons, including the following:

- non-cash equity grants made to employees or non-employees at a certain price and point in time do not necessarily reflect how our business is performing at any particular time; stock-based compensation expense is not a key measure of our operating performance;
- contingent consideration or earn outs can vary substantially from company to company and depending upon each company's growth metrics and accounting assumption methods; the non-cash changes in fair value of estimated contingent consideration is not considered a key measure in comparing our operating performance; and
- amortization expenses can vary substantially from company to company and from period to period depending upon each company's financing and accounting methods, the fair value and average expected life of acquired intangible assets and the method by which assets were acquired; the amortization of intangible assets obtained in acquisitions are not considered a key measure in comparing our operating performance.

We use Adjusted EBITDA:

- as a measure of operating performance;
- for planning purposes, including the preparation of budgets and forecasts;
- to allocate resources to enhance the financial performance of our business;
- to evaluate the effectiveness of our business strategies; and
- as a consideration in determining compensation for certain employees.

Adjusted EBITDA does not purport to be an alternative to net income or cash flows from operating activities. The term Adjusted EBITDA is not defined under GAAP, and Adjusted EBITDA is not a measure of net income, operating income or any other performance or liquidity measure derived in accordance with GAAP. Therefore, Adjusted EBITDA has limitations as an analytical tool and should not be considered in isolation or as a substitute for analysis of our results as reported under GAAP. Some of these limitations are:

- Adjusted EBITDA does not reflect all cash expenditures, future requirements for capital expenditures or contractual commitments;
- Adjusted EBITDA does not reflect changes in, or cash requirements for, working capital needs; and
- Adjusted EBITDA does not reflect the interest expense on our debt or the cash requirements necessary to service interest or principal payments.

In addition, Adjusted EBITDA can differ significantly from company to company depending on strategic decisions regarding capital structure, the tax jurisdictions in which companies operate and capital investments. We compensate for these limitations by also relying on the GAAP results and using Adjusted EBITDA as supplemental information.

Set forth below is a reconciliation of net income (loss) to Adjusted EBITDA for the three and twelve months ended December 31, 2021 and 2022:

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2021	2022	2021	2022
	(in thousands)			
Net income (loss)	$ 14,935	$ (1,411)	$ 24,440	$ 125,278
Interest income	(112)	(645)	(422)	(791)
Interest expense	17,108	35,888	55,001	99,887
Income tax expense (benefit)	14,044	(6,888)	20,082	53,077
Amortization of debt financing costs	1,102	1,000	3,958	3,999
Intangible amortization	54,807	69,586	187,848	261,842
Depreciation and other amortization	3,790	3,827	14,625	15,281
Non-cash equity compensation expense	7,033	8,263	31,602	30,453
Non-cash changes in fair value of estimated contingent consideration	16,175	17,703	112,416	(64,747)
Loss on extinguishment of borrowings	—	1,807	—	1,807
Other expense—net	118	7,536	337	11,370
Secondary offering expenses	—	—	1,409	—
Adjusted EBITDA	$ 129,000	$ 136,666	$ 451,296	$ 537,456

Adjusted Net Income Excluding Tax Adjustments and Adjusted Net Income Excluding Tax Adjustments Per Share

We analyze our performance using Adjusted Net Income Excluding Tax Adjustments and Adjusted Net Income Excluding Tax Adjustments Per Share. Adjusted Net Income Excluding Tax Adjustments and Adjusted Net Income Excluding Tax Adjustments Per Share are non-GAAP measures. We define Adjusted Net Income Excluding Tax Adjustments as net income (loss) excluding income tax expense (benefit), amortization of debt financing costs, intangible amortization and impairments, if any, non-cash equity compensation expense, non-cash changes in fair value of estimated contingent consideration, loss on extinguishment of borrowings and secondary offering expenses, if any. The calculation of Adjusted Net Income Excluding Tax Adjustments also includes adjustments to reflect a pro forma 27% income tax rate reflecting the estimated U.S. federal, state, local and foreign income tax rates applicable to corporations in the jurisdictions we conduct business and is used for comparative purposes. The actual effective income tax rate, in current or future periods, may differ significantly from the pro forma income tax rate of 27%.

Adjusted Net Income Excluding Tax Adjustments Per Share is calculated by dividing Adjusted Net Income Excluding Tax Adjustments by the Adjusted Shares Outstanding. Adjusted Shares Outstanding includes: (i) the weighted average shares of Class A common stock outstanding during the periods, (ii) the weighted average incremental shares of Class A common stock related to stock options and restricted stock units outstanding during the periods, (iii) the weighted average number of Focus LLC common units outstanding during the periods (assuming that 100% of such Focus LLC common units, including contingently issuable Focus LLC common units, if any, have been exchanged for Class A common stock), (iv) the weighted average number of Focus LLC restricted common units outstanding during the periods (assuming that 100% of such Focus LLC restricted common units have been exchanged for Class A common stock) and (v) the weighted average number of common unit equivalents of Focus LLC vested and unvested incentive units outstanding during the periods based on the closing price of our Class A common stock on the last trading day of the periods (assuming that 100% of such Focus LLC common units have been exchanged for Class A common stock).

We believe that Adjusted Net Income Excluding Tax Adjustments and Adjusted Net Income Excluding Tax Adjustments Per Share, viewed in addition to and not in lieu of, our reported GAAP results, provide additional useful information to investors regarding our performance and overall results of operations for various reasons, including the following:

- non-cash equity grants made to employees or non-employees at a certain price and point in time do not necessarily reflect how our business is performing at any particular time; stock-based compensation expense is not a key measure of our operating performance;
- contingent consideration or earn outs can vary substantially from company to company and depending upon each company's growth metrics and accounting assumption methods; the non-cash changes in fair value of estimated contingent consideration is not considered a key measure in comparing our operating performance; and
- amortization expenses can vary substantially from company to company and from period to period depending upon each company's financing and accounting methods, the fair value and average expected life of acquired intangible assets and the method by which assets were acquired; the amortization of intangible assets obtained in acquisitions are not considered a key measure in comparing our operating performance.

Adjusted Net Income Excluding Tax Adjustments and Adjusted Net Income Excluding Tax Adjustments Per Share do not purport to be an alternative to net income or cash flows from operating activities. The terms Adjusted Net Income Excluding Tax Adjustments and Adjusted Net Income Excluding Tax Adjustments Per Share are not defined under GAAP, and Adjusted Net Income Excluding Tax Adjustments and Adjusted Net Income Excluding Tax Adjustments Per Share are not a measure of net income, operating income or any other performance or liquidity measure derived in accordance with GAAP. Therefore, Adjusted Net Income Excluding Tax Adjustments and Adjusted Net Income Excluding Tax Adjustments Per Share have limitations as an analytical tool and should not be considered in isolation or as a substitute for analysis of our results as reported under GAAP. Some of these limitations are:

- Adjusted Net Income Excluding Tax Adjustments and Adjusted Net Income Excluding Tax Adjustments Per Share do not reflect all cash expenditures, future requirements for capital expenditures or contractual commitments;
- Adjusted Net Income Excluding Tax Adjustments and Adjusted Net Income Excluding Tax Adjustments Per Share do not reflect changes in, or cash requirements for, working capital needs; and
- Other companies in the financial services industry may calculate Adjusted Net Income Excluding Tax Adjustments and Adjusted Net Income Excluding Tax Adjustments Per Share differently than we do, limiting its usefulness as a comparative measure.

In addition, Adjusted Net Income Excluding Tax Adjustments and Adjusted Net Income Excluding Tax Adjustments Per Share can differ significantly from company to company depending on strategic decisions regarding capital structure, the tax jurisdictions in which companies operate and capital investments. We compensate for these limitations by relying also on the GAAP results and use Adjusted Net Income Excluding Tax Adjustments and Adjusted Net Income Excluding Tax Adjustments Per Share as supplemental information.

Tax Adjustments and Tax Adjustments Per Share

Tax Adjustments represent the tax benefits of intangible assets, including goodwill, associated with deductions allowed for tax amortization of intangible assets in the respective periods based on a pro forma 27% income tax rate. Such amounts were generated from acquisitions completed where we received a step-up in basis for tax purposes. Acquired intangible assets may be amortized for tax purposes, generally over a 15-year period. Due to our acquisitive nature, tax deductions allowed on acquired intangible assets provide additional significant supplemental economic benefit. The tax benefit from amortization is included to show the full economic benefit of deductions for acquired intangible assets with the step-up in tax basis.

Tax Adjustments Per Share is calculated by dividing Tax Adjustments by the Adjusted Shares Outstanding.

Set forth below is a reconciliation of net income (loss) to Adjusted Net Income Excluding Tax Adjustments and Adjusted Net Income Excluding Tax Adjustments Per Share for the three and twelve months ended December 31, 2021 and 2022:

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2021	2022	2021	2022
	(dollars in thousands, except per share data)			
Net income (loss)	$ 14,935	$ (1,411)	$ 24,440	$ 125,278
Income tax expense (benefit)	14,044	(6,888)	20,082	53,077
Amortization of debt financing costs	1,102	1,000	3,958	3,999
Intangible amortization	54,807	69,586	187,848	261,842
Non-cash equity compensation expense	7,033	8,263	31,602	30,453
Non-cash changes in fair value of estimated contingent consideration	16,175	17,703	112,416	(64,747)
Loss on extinguishment of borrowings	—	1,807	—	1,807
Secondary offering expenses (1)	—	—	1,409	—
Subtotal	108,096	90,060	381,755	411,709
Pro forma income tax expense (27%) (2)	(29,185)	(24,316)	(103,074)	(111,161)
Adjusted Net Income Excluding Tax Adjustments	$ 78,911	$ 65,744	$ 278,681	$ 300,548
Tax Adjustments (2)(3)	$ 13,440	$ 16,905	$ 46,805	$ 64,359
Adjusted Net Income Excluding Tax Adjustments Per Share	$ 0.94	$ 0.79	$ 3.36	$ 3.62
Tax Adjustments Per Share (3)	$ 0.16	$ 0.20	$ 0.56	$ 0.77
Adjusted Shares Outstanding	83,575,753	83,210,551	82,893,928	83,093,073
Calculation of Adjusted Shares Outstanding:				
Weighted average shares of Class A common stock outstanding—basic (4)	61,290,333	65,883,284	57,317,477	65,552,592
Adjustments:				
Weighted average incremental shares of Class A common stock related to stock options and restricted stock units (5)	649,401	165,930	513,674	257,623
Weighted average Focus LLC common units outstanding (6)	12,046,461	11,731,666	15,200,900	11,857,164
Weighted average Focus LLC restricted common units outstanding (7)	81,726	217,913	73,983	199,495
Weighted average common unit equivalent of Focus LLC incentive units outstanding (8)	9,507,832	5,211,758	9,787,894	5,226,199
Adjusted Shares Outstanding	83,575,753	83,210,551	82,893,928	83,093,073

(1) Relates to offering expenses associated with the March 2021 and June 2021 secondary offerings.

(2) The pro forma income tax rate of 27% reflects the estimated U.S. federal, state, local and foreign income tax rates applicable to corporations in the jurisdictions we conduct business and is used for comparative purposes. The actual effective income tax rate, in current or future periods, may differ significantly from the pro forma income tax rate of 27%. The actual effective income tax rate is the percentage of income tax after taking into consideration various tax deductions, credits and limitations. Among other things, periods of increased interest expense and limits on our ability to deduct interest expense may, in current or future periods, contribute to an actual effective income tax rate that is less than or greater than the pro forma income tax rate of 27%.

(3) Tax Adjustments represent the tax benefits of intangible assets, including goodwill, associated with deductions allowed for tax amortization of intangible assets in the respective periods based on a pro forma 27% income tax rate. Such amounts were generated from acquisitions completed where we received a step-up in basis for tax purposes. Acquired intangible assets may be amortized for tax purposes, generally over a 15-year period. Due to our acquisitive nature, tax deductions allowed on acquired intangible assets provide additional significant supplemental economic benefit. The tax benefit from amortization is included to show the full economic benefit of deductions for acquired intangible assets with the step-up in tax basis. As of December 31, 2022, estimated Tax Adjustments from intangible asset related income tax benefits from closed acquisitions based on a pro forma 27% income tax rate for the next 12 months is $67.8 million.

(4) Represents our GAAP weighted average Class A common stock outstanding—basic.

(5) Represents the incremental shares related to stock options and restricted stock units as calculated under the treasury stock method.

(6) Assumes that 100% of the Focus LLC common units, including contingently issuable Focus LLC common units, if any, were exchanged for Class A common stock.

(7) Assumes that 100% of the Focus LLC restricted common units were exchanged for Class A common stock.

(8) Assumes that 100% of the vested and unvested Focus LLC incentive units were converted into Focus LLC common units based on the closing price of our Class A common stock at the end of the respective period and such Focus LLC common units were exchanged for Class A common stock.

Adjusted Free Cash Flow and Cash Flow Available for Capital Allocation

To supplement our statements of cash flows presented on a GAAP basis, we use non-GAAP liquidity measures on a trailing 4-quarter basis to analyze cash flows generated from our operations. We consider Adjusted Free Cash Flow and Cash Flow Available for Capital Allocation to be liquidity measures that provide useful information to investors about the amount of cash generated by the business and are two factors in evaluating the amount of cash available to pay contingent consideration and deferred cash consideration, make strategic acquisitions and repay outstanding borrowings. Adjusted Free Cash Flow and Cash Flow Available for Capital Allocation do not represent our residual cash flow available for discretionary expenditures as they do not deduct our mandatory debt service requirements and other non-discretionary expenditures. We define Adjusted Free Cash Flow as net cash provided by operating activities, less purchase of fixed assets, distributions for Focus LLC unitholders and payments under tax receivable agreements. We define Cash Flow Available for Capital Allocation as Adjusted Free Cash Flow plus the portions of contingent consideration and deferred cash consideration paid which are classified as operating cash flows under GAAP. The balances of such contingent consideration and deferred cash consideration are classified as investing or financing cash flows under GAAP; therefore, we add back the amounts included in operating cash flows so that the full amount of contingent consideration and deferred cash consideration payments are treated consistently. Adjusted Free Cash Flow and Cash Flow Available for Capital Allocation are not defined under GAAP and should not be considered as alternatives to net cash from operating, investing or financing activities. In addition, Adjusted Free Cash Flow and Cash Flow Available for Capital Allocation can differ significantly from company to company.

Set forth below is a reconciliation of net cash provided by operating activities to Adjusted Free Cash Flow and Cash Flow Available for Capital Allocation for the trailing 4-quarters ended December 31, 2021 and 2022:

	Trailing 4-Quarters Ended December 31,	
	2021	2022
	(in thousands)	
Net cash provided by operating activities	$ 313,918	$ 288,599
Purchase of fixed assets	(11,018)	(21,017)
Distributions for unitholders	(32,311)	(22,984)
Payments under tax receivable agreements	(4,423)	(3,856)
Adjusted Free Cash Flow	$ 266,166	$ 240,742
Portion of contingent consideration paid included in operating activities (1)	53,735	76,915
Portion of deferred cash consideration paid included in operating activities (2)	—	16
Cash Flow Available for Capital Allocation (3)	$ 319,901	$ 317,673

(1) A portion of contingent consideration paid is classified as operating cash outflows in accordance with GAAP, with the balance reflected in investing or financing cash outflows. Contingent consideration paid classified as operating cash outflows for each of the trailing 4-quarters ended December 31, 2021 was $5.3 million, $11.6 million, $20.4 million and $16.4 million, respectively, totaling $53.7 million for the trailing 4-quarters ended December 31, 2021. Contingent consideration paid classified as operating cash outflows for each of the trailing 4-quarters ended December 31, 2022 was $23.0 million, $18.2 million, $29.6 million and $6.1 million, respectively, totaling $76.9 million for the trailing 4-quarters ended December 31, 2022.

(2) A portion of deferred cash consideration paid is classified as operating cash outflows in accordance with GAAP, with the balance reflected in financing cash outflows. Deferred cash consideration paid and classified as operating cash outflows was $16 thousand for the trailing 4-quarters ended December 31, 2022.

(3) Cash Flow Available for Capital Allocation excludes all contingent consideration and deferred cash consideration that was included in either operating, investing or financing activities of our consolidated statements of cash flows.

Supplemental Information

Economic Ownership

The following table provides supplemental information regarding the economic ownership of Focus Financial Partners, LLC as of December 31, 2022:

	December 31, 2022	
	Interest	%
Economic Ownership of Focus Financial Partners, LLC Interests:		
Focus Financial Partners Inc.	65,929,644	79.2%
Non-Controlling Interests (1)	17,320,157	20.8%
Total	83,249,801	100.0%

(1) Includes 5,196,288 Focus LLC common units issuable upon conversion of the outstanding 16,602,886 vested and unvested incentive units (assuming vesting of the unvested incentive units and a December 31, 2022 period end value of the Focus LLC common units equal to $37.27) and includes 296,548 Focus LLC restricted common units.

Class A and Class B Common Stock Outstanding

The following table provides supplemental information regarding the Company's Class A and Class B common stock:

	Q4 2022 Weighted Average Outstanding	Number of Shares Outstanding at December 31, 2022	Number of Shares Outstanding at February 13, 2023
Class A	65,883,284	65,929,644	65,935,962
Class B	11,731,666	11,827,321	11,827,321

Incentive Units

The following table provides supplemental information regarding the outstanding Focus LLC vested and unvested Incentive Units ("IUs") at December 31, 2022. The vested IUs in future periods can be exchanged into shares of Class A common stock (after conversion into a number of Focus LLC common units that takes into account the then-current value of common units and such IUs aggregate hurdle amount), and therefore, the Company calculates the Class A common stock equivalent of such IUs for purposes of calculating per share data. The period-end share price of the Company's Class A common stock is used to calculate the intrinsic value of the outstanding Focus LLC IUs in order to calculate a Focus LLC common unit equivalent of the Focus LLC IUs.

Hurdle Rates	Number Outstanding
$ 1.42	421
$ 5.50	798
$ 6.00	386
$ 7.00	1,081
$ 9.00	708,107
$ 11.00	813,001
$ 12.00	513,043
$ 13.00	540,000
$ 14.00	10,098
$ 16.00	45,191
$ 17.00	20,000
$ 19.00	527,928
$ 21.00	3,017,692
$ 22.00	796,417
$ 23.00	524,828
$ 26.26	12,500
$ 27.00	12,484
$ 27.90	1,890,440
$ 28.50	1,424,225
$ 30.48	30,000
$ 33.00	3,617,500
$ 36.64	30,000
$ 37.59	508,145
$ 43.07	60,000
$ 43.50	30,000
$ 44.71	806,324
$ 58.50	662,277
	16,602,886

Exhibit 99.2

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Focus Financial Partners Inc.

Fourth Quarter & Full Year 2022 Earnings Release Supplement

February 16, 2023

VISION *for* VISIONARIES.

Disclaimer

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Special Note Regarding Forward-Looking Statements

Some of the information in this presentation may contain forward-looking statements. Forward-looking statements give our current expectations, contain projections of results of operations or of financial condition, or forecasts of future events. Words such as “may,” “assume,” “forecast,” “position,” “predict,” “strategy,” “expect,” “intend,” “plan,” “estimate,” “anticipate,” “believe,” “project,” “budget,” “potential,” “continue,” “will” and similar expressions are used to identify forward-looking statements. They can be affected by assumptions used or by known or unknown risks or uncertainties. Consequently, no forward-looking statements can be guaranteed. When considering these forward-looking statements, you should keep in mind the risk factors and other cautionary statements in this presentation. Actual results may vary materially. You are cautioned not to place undue reliance on any forward-looking statements. You should also understand that it is not possible to predict or identify all such factors and should not consider the following list to be a complete statement of all potential risks and uncertainties. Factors that could cause our actual results to differ materially from the results contemplated by such forward-looking statements include the uncertainty with the possible transaction with Clayton, Dubilier & Rice, fluctuations in wealth management fees, our reliance on our partner firms and the principals who manage their businesses, our ability to make successful acquisitions, unknown liabilities of or poor performance by acquired businesses, harm to our reputation, our inability to facilitate smooth succession planning at our partner firms, our inability to compete, our reliance on key personnel, our inability to attract, develop and retain talented wealth management professionals, our inability to retain clients following an acquisition, write down of goodwill and other intangible assets, our failure to maintain and properly safeguard an adequate technology infrastructure, cyber-attacks, our inability to recover from business continuity problems, inadequate insurance coverage, the termination of management agreements by management companies, our inability to generate sufficient cash to service all of our indebtedness, the failure of our partner firms to comply with applicable U.S. and non-U.S. regulatory requirements, legal proceedings and governmental inquiries and certain other factors. All forward-looking statements are expressly qualified in their entirety by the foregoing cautionary statements. Our forward-looking statements speak only as of the date of this presentation or as of the date as of which they are made. Except as required by applicable law, including federal securities laws, we do not intend to update or revise any forward-looking statements.

Non-GAAP Financial Measures

Adjusted EBITDA is a non-GAAP measure. Adjusted EBITDA is defined as net income (loss) excluding interest income, interest expense, income tax expense, amortization of debt financing costs, intangible amortization and impairments, if any, depreciation and other amortization, non-cash equity compensation expense, non-cash changes in fair value of estimated contingent consideration, loss on extinguishment of borrowings, other expense – net, and secondary offering expenses, if any. We believe that Adjusted EBITDA, viewed in addition to and not in lieu of, our reported GAAP results, provides additional useful information to investors regarding our performance and overall results of operations for various reasons, including the following: (i) non-cash equity grants made to employees or non-employees at a certain price and point in time do not necessarily reflect how our business is performing at any particular time; stock-based compensation expense is not a key measure of our operating performance, (ii) contingent consideration or earn outs can vary substantially from company to company and depending upon each company’s growth metrics and accounting assumption methods; the non-cash changes in fair value of estimated contingent consideration is not considered a key measure in comparing our operating performance, and (iii) amortization expenses can vary substantially from company to company and from period to period depending upon each company’s financing and accounting methods, the fair value and average expected life of acquired intangible assets and the method by which assets were acquired; the amortization of intangible assets obtained in acquisitions are not considered a key measure in comparing our operating performance. We use Adjusted EBITDA (i) as a measure of operating performance, (ii) for planning purposes, including the preparation of budgets and forecasts, (iii) to allocate resources to enhance the financial performance of our business, (iv) to evaluate the effectiveness of our business strategies, and (v) as a consideration in determining compensation for certain employees. Adjusted EBITDA does not purport to be an alternative to net income (loss) or cash flows from operating activities. The term Adjusted EBITDA is not defined under GAAP, and Adjusted EBITDA is not a measure of net income (loss), operating income or any other performance or liquidity measure derived in accordance with GAAP. Therefore, Adjusted EBITDA has limitations as an analytical tool and should not be considered in isolation or as a substitute for analysis of our results as reported under GAAP. Some of these limitations are: (i) Adjusted EBITDA does not reflect all cash expenditures, future requirements for capital expenditures or contractual commitments, (ii) Adjusted EBITDA does not reflect changes in, or cash requirements for, working capital needs, and (iii) Adjusted EBITDA does not reflect the interest expense on our debt or the cash requirements necessary to service interest or principal payments. In addition, Adjusted EBITDA can differ significantly from company to company depending on strategic decisions regarding capital structure, the tax jurisdictions in which companies operate and capital investments. We compensate for these limitations by relying also on the GAAP results and using Adjusted EBITDA as supplemental information.

We analyze our performance using Adjusted Net Income Excluding Tax Adjustments and Adjusted Net Income Excluding Tax Adjustments Per Share. Adjusted Net Income Excluding Tax Adjustments and Adjusted Net Income Excluding Tax Adjustments Per Share are non-GAAP measures. We define Adjusted Net Income Excluding Tax Adjustments as net income (loss) excluding income tax expense, amortization of debt financing costs, intangible amortization and impairments, if any, non-cash equity compensation expense, non-cash changes in fair value of estimated contingent consideration, loss on extinguishment of borrowings and secondary offering expenses, if any. The calculation of Adjusted Net Income Excluding Tax Adjustments also includes adjustments to reflect a pro forma 27% income tax rate reflecting the estimated U.S. federal, state, local and foreign income tax rates applicable to corporations in the jurisdictions we conduct business and is used for comparative purposes. The actual effective income tax rate, in current or future periods, may differ significantly from the pro forma income tax rate of 27%. The actual effective income tax rate is the percentage of income tax after taking into consideration various tax deductions, credits and limitations. Among other things, periods of increased interest expense and limits on our ability to deduct interest expense may, in current or future periods, contribute to an actual effective income tax rate that is less than or greater than the pro forma income tax rate of 27%.

We believe that Adjusted Net Income Excluding Tax Adjustments and Adjusted Net Income Excluding Tax Adjustments Per Share, viewed in addition to and not in lieu of, our reported GAAP results, provide additional useful information to investors regarding our performance and overall results of operations for various reasons, including the following: (i) non-cash equity grants made to employees or non-employees at a certain price and point in time do not necessarily reflect how our business is performing at any particular time; stock-based compensation expense is not a key measure of our operating performance, (ii) contingent consideration or earn outs can vary substantially from company to company and depending upon each company’s growth metrics and accounting assumption methods; the non-cash changes in fair value of estimated contingent consideration is not considered a key measure in comparing our operating performance, and (iii) amortization expenses can vary substantially from company to company and from period to period depending upon each company’s financing and accounting methods, the fair value and average expected life of acquired intangible assets and the method by which assets were acquired; the amortization of intangible assets obtained in acquisitions are not considered a key measure in comparing our operating performance.

Adjusted Net Income Excluding Tax Adjustments and Adjusted Net Income Excluding Tax Adjustments Per Share do not purport to be an alternative to net income (loss) or cash flows from operating activities. The terms Adjusted Net Income Excluding Tax Adjustments and Adjusted Net Income Excluding Tax Adjustments Per Share are not defined under GAAP, and Adjusted Net Income Excluding Tax Adjustments and Adjusted Net Income Excluding Tax Adjustments Per Share are not a measure of net income (loss), operating income or any other performance or liquidity measure derived in accordance with GAAP. Therefore, Adjusted Net Income Excluding Tax Adjustments and Adjusted Net Income Excluding Tax Adjustments Per Share have limitations as an analytical tool and should not be considered in isolation or as a substitute for analysis of our results as reported under GAAP. Some of these limitations are: (i) Adjusted Net Income Excluding Tax Adjustments and Adjusted Net Income Excluding Tax Adjustments Per Share do not reflect all cash expenditures, future requirements for capital expenditures or contractual commitments, (ii) Adjusted Net Income Excluding Tax Adjustments and Adjusted Net Income Excluding Tax Adjustments Per Share do not reflect changes in, or cash requirements for, working capital needs, and (iii) Other companies in the financial services industry may calculate Adjusted Net Income Excluding Tax Adjustments and Adjusted Net Income Excluding Tax Adjustments Per Share differently than we do, limiting its usefulness as a comparative measure. In addition, Adjusted Net Income Excluding Tax Adjustments and Adjusted Net Income Excluding Tax Adjustments Per Share can differ significantly from company to company depending on strategic decisions regarding capital structure, the tax jurisdictions in which companies operate and capital investments. We compensate for these limitations by relying also on the GAAP results and use Adjusted Net Income Excluding Tax Adjustments and Adjusted Net Income Excluding Tax Adjustments Per Share as supplemental information.

To supplement our statements of cash flows presented on a GAAP basis, we use non-GAAP liquidity measures on a trailing 4-quarter basis to analyze cash flows generated from our operations. We consider Adjusted Free Cash Flow and Cash Flow Available for Capital Allocation to be liquidity measures that provide useful information to investors about the amount of cash generated by the business and are two factors in evaluating the amount of cash available to pay contingent consideration and deferred cash consideration, make strategic acquisitions and repay outstanding borrowings. Adjusted Free Cash Flow and Cash Flow Available for Capital Allocation do not represent our residual cash flow available for discretionary expenditures as they do not deduct our mandatory debt service requirements and other non-discretionary expenditures. We define Adjusted Free Cash Flow as net cash provided by operating activities, less purchase of fixed assets, distributions for Focus LLC unitholders and payments under tax receivable agreements (if any). We define Cash Flow Available for Capital Allocation as Adjusted Free Cash Flow plus the portions of contingent consideration and deferred cash consideration paid which are classified as operating cash flows under GAAP. The balances of such contingent consideration and deferred cash consideration are classified as investing or financing cash flows under GAAP; therefore, we add back the amounts included in operating cash flows so that the full amount of contingent consideration and deferred cash consideration payments are treated consistently. Adjusted Free Cash Flow and Cash Flow Available for Capital Allocation are not defined under GAAP and should not be considered as alternatives to net cash from operating, investing or financing activities. In addition, Adjusted Free Cash Flow and Cash Flow Available for Capital Allocation can differ significantly from company to company.

Table of Contents

FOCUS FINANCIAL PARTNERS

Key Investor Questions on Q4 2022

Key Investor Questions on Q4 2022

1 Why did you refinance your debt in Q4'22?

- Proactively addressed refinancing and duration risk, created further financial flexibility and increased liquidity to fund strong M&A pipeline
- Raised new First Lien Term Loan B – Tranche A ($1.76B) and a new delayed draw First Lien Term Loan A ($240M), and extended the maturity of our $650M revolver
- Strong credit profile supported by resilient business model, high cash flows and disciplined capital allocation framework

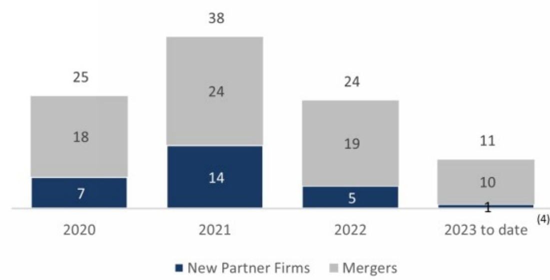
2 What are your sources of liquidity?

~$140M	~$860M	~$318M
Cash and cash equivalents on balance sheet (1)	Available Revolver capacity + undrawn First Lien Term Loan A(1)	LTM Cash Flow Available for Capital Allocation (1,2)

3 What is your outlook for your Net Leverage Ratio(3)?

4.19x	~4.30x	3.5x – 4.5x
Q4'22 Actual	Q1'23 Outlook	Target

4 Has your M&A activity been impacted by market volatility?

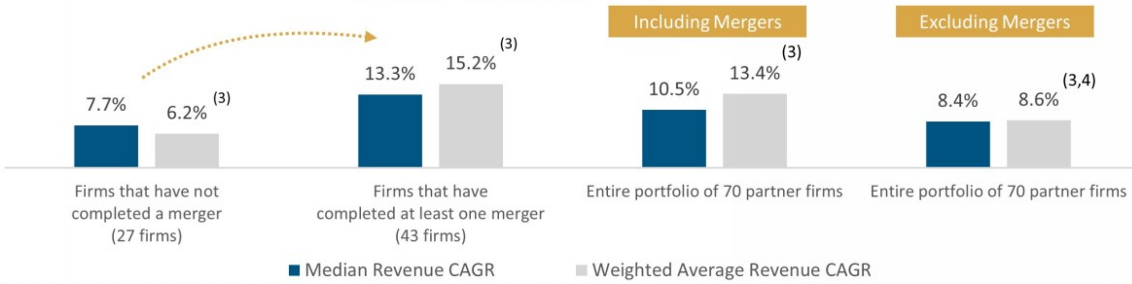


1. As of December 31, 2022.
2. Non-GAAP financial measure. See Appendix for reconciliations.
3. Net Leverage Ratio represents the First Lien Leverage Ratio (as defined in the Credit Facility) and means the ratio of amounts outstanding under the First Lien Term Loan and First Lien Revolver plus other outstanding debt obligations secured by a lien on the assets of Focus LLC (excluding letters of credit other than unpaid drawings thereunder) minus unrestricted cash and cash equivalents to Consolidated EBITDA (as defined in the Credit Facility).
4. Includes closed and signed and pending close transactions.

Key Investor Questions on Q4 2022

5 Has your organic growth been impacted by market volatility?

Revenue CAGR Since Inception[1,2]



6 How much in earnings preference do you have from partner firm acquisitions since Q1 2019?

Cumulative New Partner Firms and Acquired Base Earnings[5] Since Q1 2019

**Q1 includes a new partner firm that has closed.*

7 How correlated were your Q4 revenues to the markets?

(Market correlated revenues)

28.0%	Non-market correlated	**64.5%**	Billed in advance
72.0%	Market correlated	**35.5%**	Billed in arrears

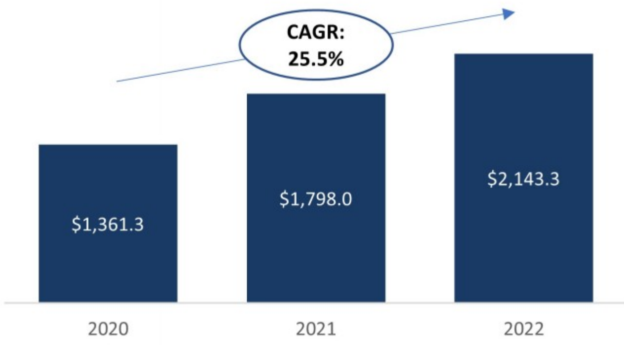
Highly diversified revenue stream

1. As of December 31, 2022.
2. Inception means first full four quarters as a Focus partner firm and reflects activity through all market cycles during that time. The analysis includes the 70 firms since inception that have been with us for at least 2 years as of December 31, 2022 in order to determine a baseline revenue growth rate. If Focus partner firms merged together, their financials have been combined.
3. The weightings are based on the December 31, 2022 LTM revenues of the respective partner firms.
4. Excluded the first full annual revenue from all the mergers made by our partner firm portfolio since joining Focus.
5. The terms of our management agreements entitle the management companies to management fees typically consisting of all future EBPC of the acquired wealth management firm in excess of Base Earnings up to Target Earnings, plus a percentage of any EBPC in excess of Target Earnings. Acquired Base Earnings is equal to our preferred position in Base Earnings or comparable measures. We are entitled to receive these earnings notwithstanding any earnings that we are entitled to receive in excess of Target Earnings. Base Earnings may change in future periods for various business or contractual matters.

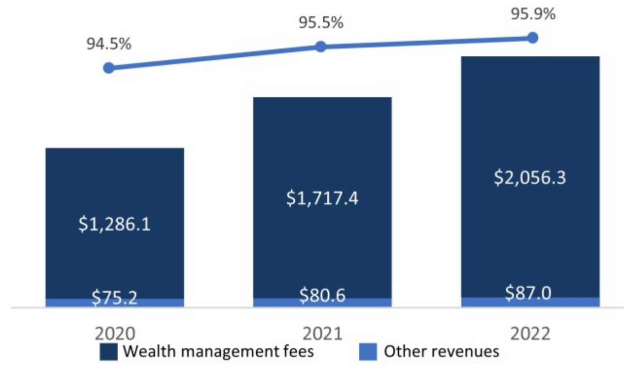
Selected Growth Trends

Strong and Sustained Revenue and Adjusted EBITDA Growth…

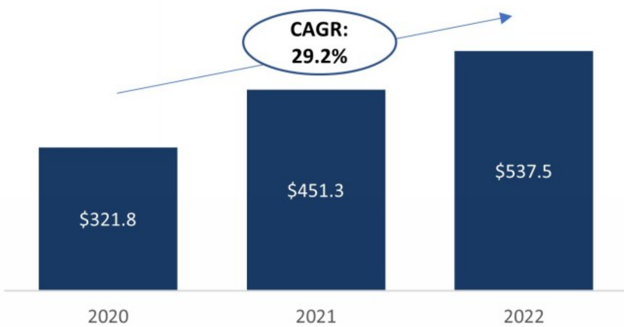
Revenues
($ in millions)



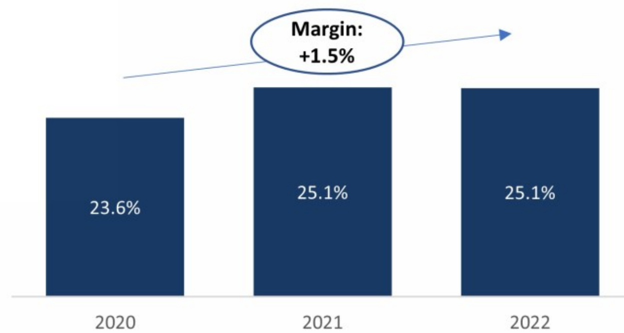
Wealth Management Fees Allocation
($ in millions(3), % of Revenues)



Adjusted EBITDA(1)
($ in millions)



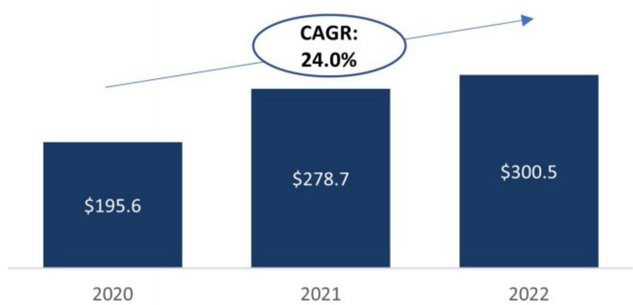
Adjusted EBITDA Margin(2)
(% of Revenues)



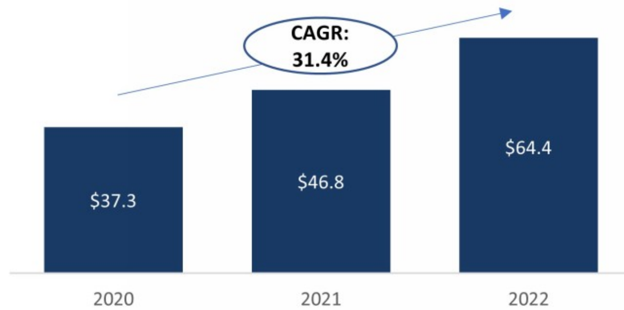
1. Non-GAAP financial measure. See Appendix for reconciliations.
2. Calculated as Adjusted EBITDA divided by revenues.
3. The sum of wealth management fees and other revenues as presented in this chart may not agree to total revenues due to rounding.

… Drives Strong Bottom-Line Performance Enhanced by a Tax Efficient Structure

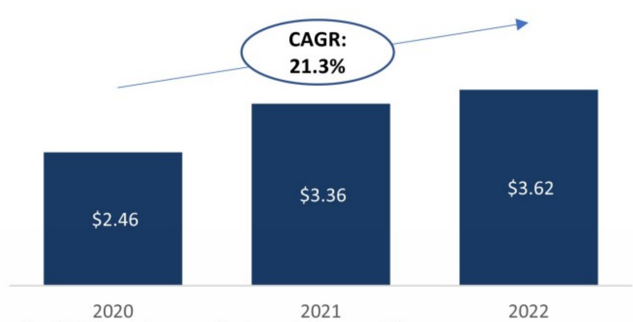
Adjusted Net Income ("ANI") Excluding Tax Adjustments[1]
($ in millions)



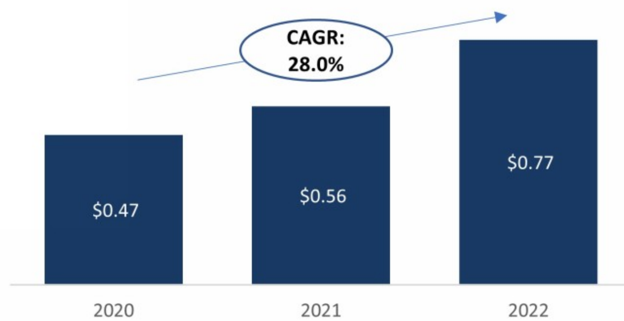
Tax Adjustments[2]
($ in millions)



ANI Excluding Tax Adjustments Per Share[1]



Tax Adjustments Per Share[1,2]

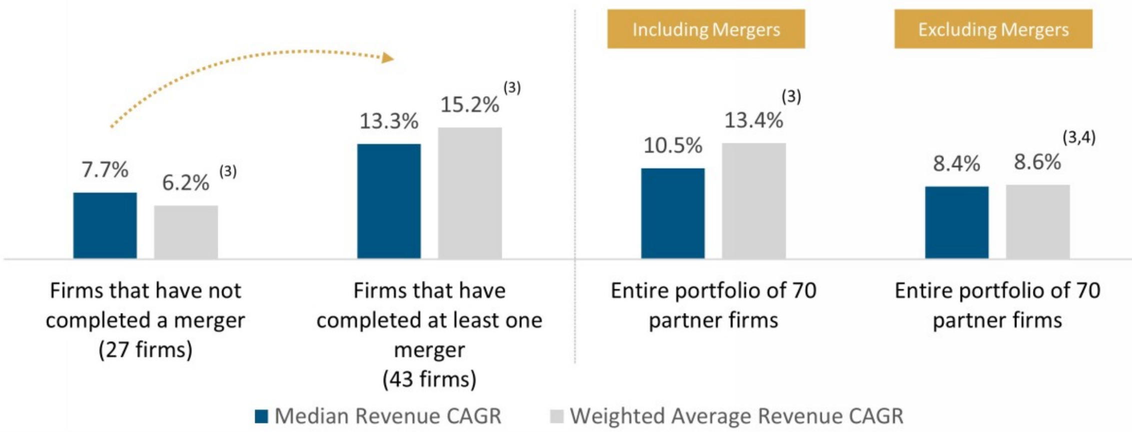


1. Non-GAAP financial measure. See Appendix for reconciliations.
2. Tax Adjustments represent the tax benefits of intangible assets, including goodwill, associated with deductions allowed for tax amortization of intangible assets in the respective periods based on a pro forma 27% income tax rate. Such amounts were generated from acquisitions completed where the Company received a step-up in basis for tax purposes. Acquired intangible assets may be amortized for tax purposes, generally over a 15-year period. Due to the Company's acquisitive nature, tax deductions allowed on acquired intangible assets provide additional significant supplemental economic benefit. The tax benefit from amortization is identified to show the full economic benefit of deductions for acquired intangible assets with the step-up in tax basis.

Our Organic Revenue Growth is Strong, Including and Excluding Mergers

- Partner firms who grow through mergers in addition to traditional client acquisition strategies have transformed their businesses through accelerated growth.
- Mergers enable efficient access to large pools of client assets, new spheres of influence, distribution channels and exceptional advisor talent.

Revenue CAGR Since Inception[1,2]

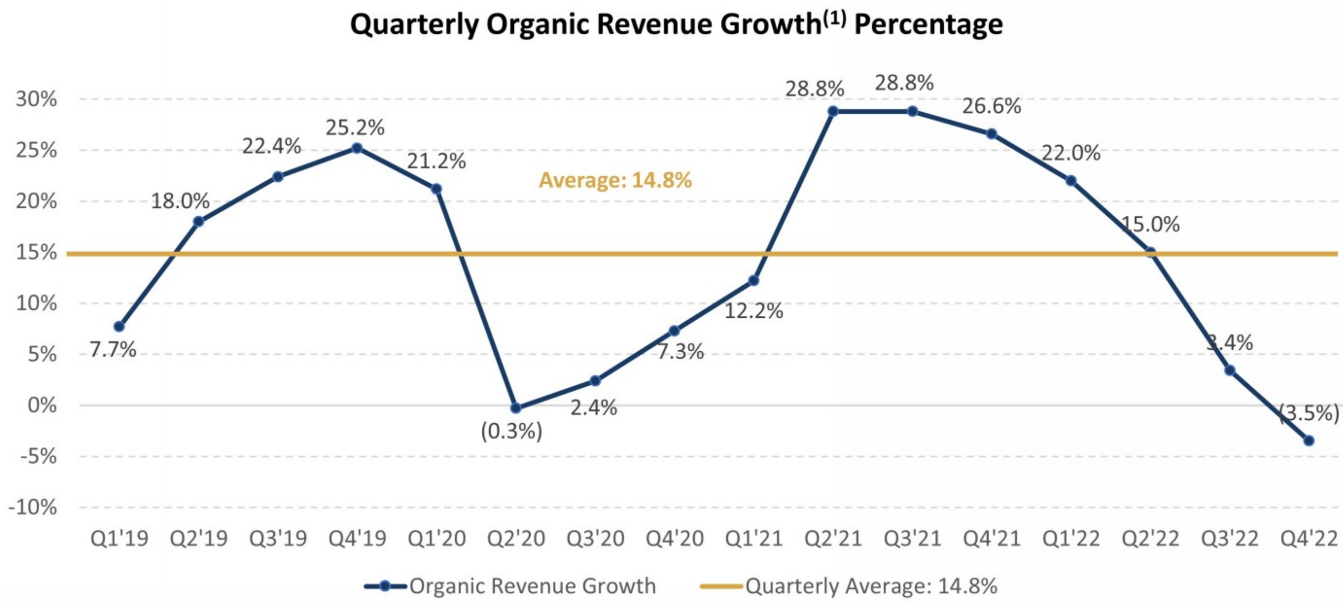


70 partner firms[5] represented ~88% of our Q4 2022 LTM revenues

1. As of December 31, 2022.
2. Inception means first full four quarters as a Focus partner firm and reflects activity through all market cycles during that time. The analysis includes the 70 firms since inception that have been with us for at least 2 years as of December 31, 2022 in order to determine a baseline revenue growth rate. If Focus partner firms merged together, their financials have been combined.
3. The weightings are based on the December 31, 2022 LTM revenues of the respective partner firms.
4. Excluded the first full annual revenue from all the mergers made by our partner firm portfolio since joining Focus.
5. The 70 partner firms have been with Focus for a weighted average of ~8 years and a median period of ~6 years.

Our Average Organic Revenue Growth Rate Demonstrates Partner Firm Strength and Resiliency

- Over the last 16 quarters, our average organic growth rate has been 14.8%

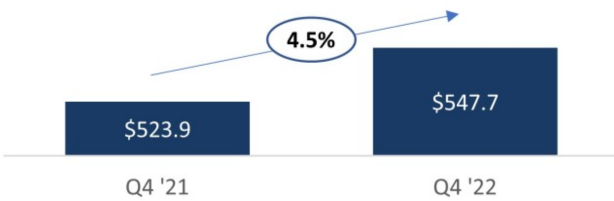


1. Organic revenue growth represents the period-over-period growth in revenue related to partner firms, including growth related to acquisitions of wealth management practices and customer relationships by Focus's partner firms, including Connectus, and partner firms that have merged, that for the entire periods presented are included in Focus's consolidated statements of operations for the entire periods presented. Focus believes these growth statistics are useful in that they present full-period revenue growth of partner firms on a ''same store'' basis exclusive of the effect of the partial period results of partner firms that are acquired during the comparable periods.

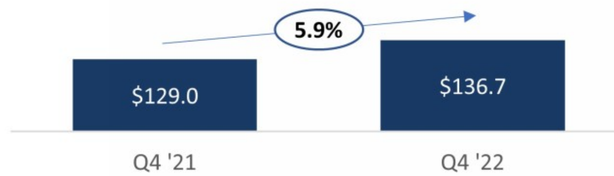
Fourth Quarter 2022 Recap

Solid Year-Over-Year Financial Performance but Higher Interest Expense Weighed on Adjusted Net Income Excluding Tax Adjustments[1]

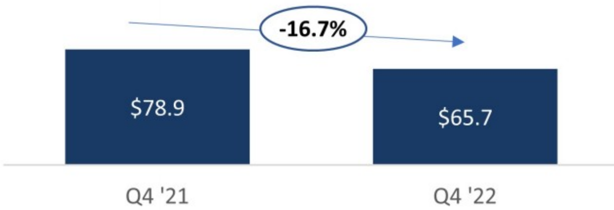
Revenues
($ in millions)



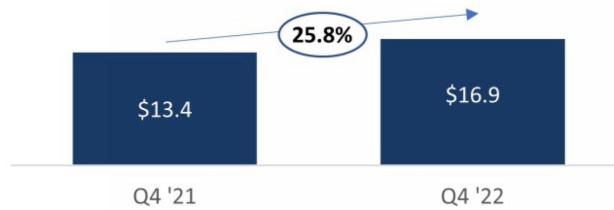
Adjusted EBITDA[1]
($ in millions)



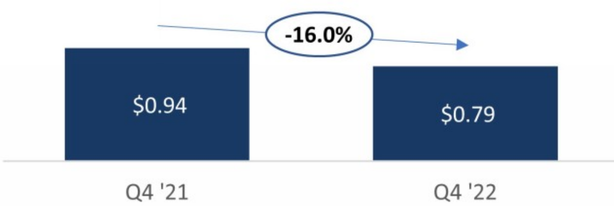
Adjusted Net Income ("ANI") Excluding Tax Adjustments[1]
($ in millions)



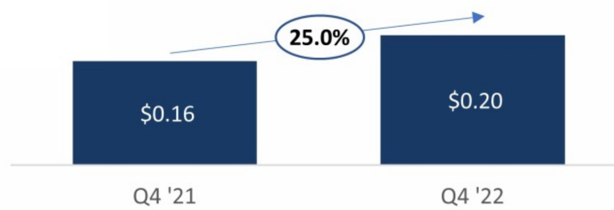
Tax Adjustments[2]
($ in millions)



ANI Excluding Tax Adjustments Per Share[1]



Tax Adjustments Per Share[1,2]



1. Non-GAAP financial measure. See Appendix for reconciliations.
2. Refer to footnote 2 on slide 9.

Q4 2022 Financial Snapshot

FOCUS® FINANCIAL PARTNERS

Revenues	▪ **Revenues:** \$547.7 million, +4.5% year-over-year growth ▪ **Organic revenue growth rate:**[(1)] -3.5% year-over-year
Adjusted EBITDA	▪ **Adjusted EBITDA:**[(2)] \$136.7 million, +5.9% year-over-year growth ▪ **Adjusted EBITDA margin:**[(3)] 25.0%, compared to 24.6% in prior year period
Net Income and Per Share Amounts	▪ **GAAP net income (loss):** (\$1.4) million, compared to \$14.9 million in Q4 2021 ▪ **GAAP basic and diluted income (loss) per share of Class A common stock:** \$0.01 and (\$0.07) ▪ **Adjusted Net Income Excluding Tax Adjustments:**[(2)] \$65.7 million, -16.7% year-over-year ▪ **Tax Adjustments:**[(4)] \$16.9 million, +25.8% year-over-year growth ▪ **Adjusted Net Income Excluding Tax Adjustments Per Share:**[(2)] \$0.79, -16.0% year-over-year ▪ **Tax Adjustments Per Share:**[(2,4)] \$0.20, +25.0% year-over-year growth
Net Leverage & Cash Flow	▪ **Net Leverage Ratio:**[(5)] 4.19x ▪ **Net cash provided by operating activities:** \$288.6 million (LTM Q4 2022), -8.1% year-over-year ▪ **Cash Flow Available for Capital Allocation:**[(2)] \$317.7 million (LTM Q4 2022), -0.7% year-over-year ▪ **Unamortized gross tax shield** at December 31, 2022 of \$2.9+ billion ▪ **No Tax Receivable Agreement payments**

1. Organic revenue growth represents the period-over-period growth in revenues related to partner firms, including growth related to acquisitions of wealth management practices and customer relationships by our partner firms, including Connectus, and partner firms that have merged, that for the entire periods presented, are included in our consolidated statements of operations for each of the entire periods presented. We believe these growth statistics are useful in that they present full period revenue growth of partner firms on a ''same store'' basis exclusive of the effect of the partial period results of partner firms that are acquired during the comparable periods.
2. Non-GAAP financial measure. See Appendix for reconciliations.
3. Calculated as Adjusted EBITDA divided by revenues.
4. Tax Adjustments represent the tax benefits of intangible assets, including goodwill, associated with deductions allowed for tax amortization of intangible assets in the respective periods based on a pro forma 27% income tax rate. Such amounts were generated from acquisitions completed where the Company received a step-up in basis for tax purposes. Acquired intangible assets may be amortized for tax purposes, generally over a 15-year period. Due to the Company's acquisitive nature, tax deductions allowed on acquired intangible assets provide additional significant supplemental economic benefit. The tax benefit from amortization is identified to show the full economic benefit of deductions for acquired intangible assets with the step-up in tax basis.
5. Net Leverage Ratio represents the First Lien Leverage Ratio (as defined in the Credit Facility) and means the ratio of amounts outstanding under the First Lien Term Loan and First Lien Revolver plus other outstanding debt obligations secured by a lien on the assets of Focus LLC (excluding letters of credit other than unpaid drawings thereunder) minus unrestricted cash and cash equivalents to Consolidated EBITDA (as defined in the Credit Facility).

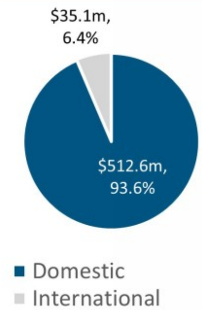
We Have Multiple Sources of Revenue Diversification

FOCUS FINANCIAL PARTNERS

Q4 2022 Revenues by Source

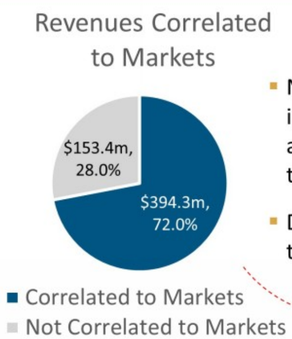
- Holistic wealth management fees tied to team-based service model
- Not a commission or interest revenue based model

Q4 2022 Revenues by Region



- International sources provide growing revenue diversification
- 9 partner firms across Australia, Canada, Switzerland, the UK and other jurisdictions, together with partner firm Connectus, are platforms for growth

Q4 2022 Revenues Correlated to Markets



- Non-correlated revenues typically include fixed fees for investment advice, tax fees and family office type services
- Diversification reduces market risk to revenue stream

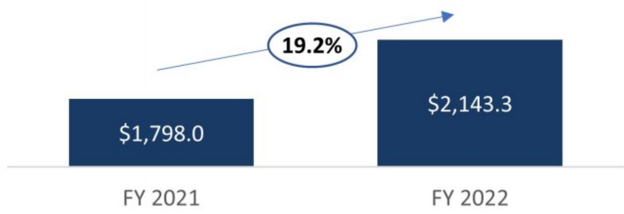
- Advance billing structure used by majority of partner firms gives high visibility into subsequent quarter
- Diversification of billing practices across partner firms is an embedded revenue hedge

Full Year 2022 Recap

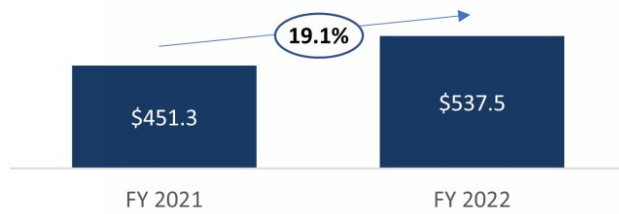
Solid Year-Over-Year Financial Performance Reflects Resilient Business Model

FOCUS FINANCIAL PARTNERS

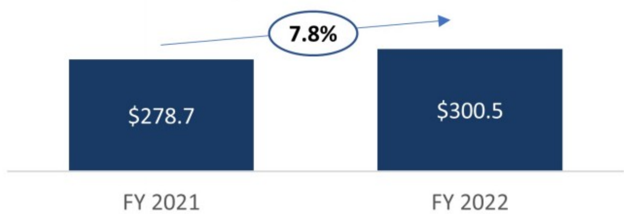
Revenues
($ in millions)



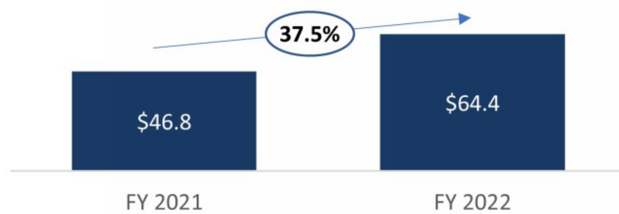
Adjusted EBITDA(1)
($ in millions)



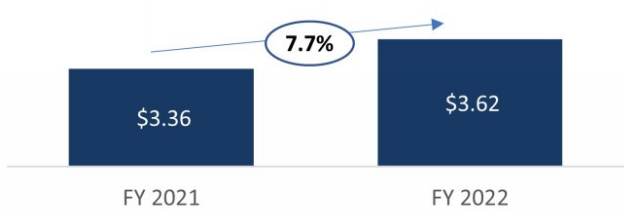
Adjusted Net Income (“ANI”)Excluding Tax Adjustments(1)
($ in millions)



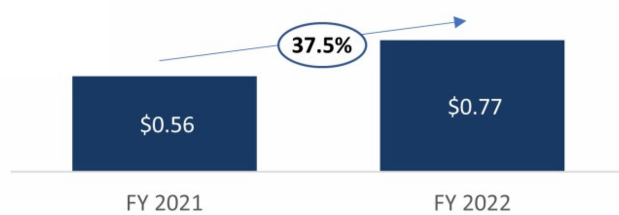
Tax Adjustments(2)
($ in millions)



ANI Excluding Tax Adjustments Per Share(1)



Tax Adjustments Per Share(1)



1. Non-GAAP financial measure. See Appendix for reconciliations.
2. Refer to footnote 2 on slide 9.

Full Year 2022 Financial Snapshot

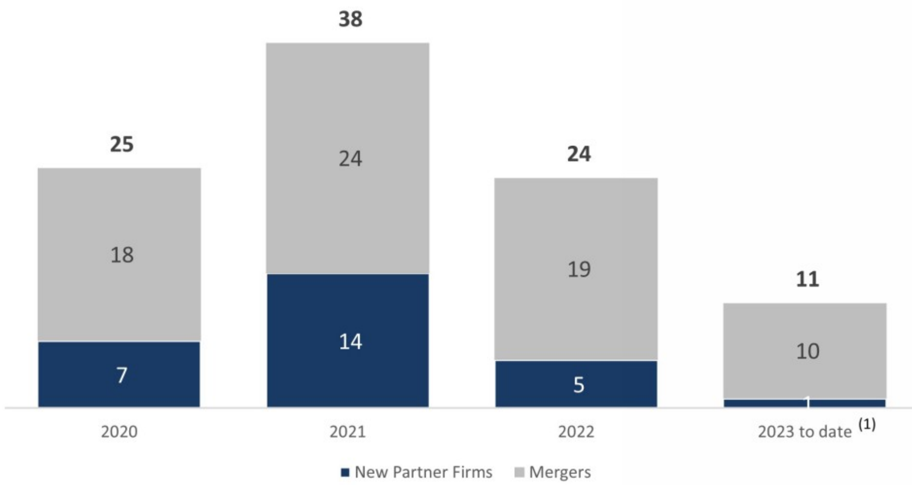
FOCUS FINANCIAL PARTNERS

Revenues	▪ **Revenues:** $2.14 billion, +19.2% year-over-year growth ▪ **Organic revenue growth rate:(1)** +8.5% year-over-year growth ▪ **Fee-based and recurring revenues:** 95%+ ▪ **Revenue attributable to 2022 partner firm closings:** $29.9 million
Adjusted EBITDA	▪ **Adjusted EBITDA:(2)** $537.5 million, +19.1% year-over-year growth ▪ **Adjusted EBITDA margin:(3)** 25.1% ▪ **Acquired Base Earnings:(4)** $26.6 million
Net Income and Per Share Amounts	▪ **GAAP Net Income:** $125.3 million, compared to $24.4 million in 2021 ▪ **GAAP basic and diluted income per share of Class A common stock:** $1.40 and $1.39 ▪ **Adjusted Net Income Excluding Tax Adjustments:(2)** $300.5 million, +7.8% year-over-year growth ▪ **Tax Adjustments:(5)** $64.4 million, +37.5% year-over-year growth ▪ **Adjusted Net Income Excluding Tax Adjustments Per Share:(2)** $3.62, +7.7% year-over-year growth ▪ **Tax Adjustments Per Share:(2)** $0.77, +37.5% year-over-year

1. Organic revenue growth represents the period-over-period growth in revenues related to partner firms, including growth related to acquisitions of wealth management practices and customer relationships by our partner firms, including Connectus, and partner firms that have merged, that for the entire periods presented, are included in our consolidated statements of operations for each of the entire periods presented. We believe these growth statistics are useful in that they present full period revenue growth of partner firms on a ''same store'' basis exclusive of the effect of the partial period results of partner firms that are acquired during the comparable periods.
2. Non-GAAP financial measure. See Appendix for reconciliations.
3. Calculated as Adjusted EBITDA divided by revenues.
4. The terms of our management agreements entitle the management companies to management fees typically consisting of all future EBPC of the acquired wealth management firm in excess of Base Earnings up to Target Earnings, plus a percentage of any EBPC in excess of Target Earnings. Acquired Base Earnings is equal to our preferred position in Base Earnings or comparable measures. We are entitled to receive these earnings notwithstanding any earnings that we are entitled to receive in excess of Target Earnings. Base Earnings may change in future periods for various business or contractual matters.
5. Tax Adjustments represent the tax benefits of intangible assets, including goodwill, associated with deductions allowed for tax amortization of intangible assets in the respective periods based on a pro forma 27% income tax rate. Such amounts were generated from acquisitions completed where the Company received a step-up in basis for tax purposes. Acquired intangible assets may be amortized for tax purposes, generally over a 15-year period. Due to the Company's acquisitive nature, tax deductions allowed on acquired intangible assets provide additional significant supplemental economic benefit. The tax benefit from amortization is identified to show the full economic benefit of deductions for acquired intangible assets with the step-up in tax basis.

Continuing a Trend of Strong M&A Volume

Annual M&A Transactions Since 2020



85+
Partner Firms[2]

5,800+
Partners and Employees[2]

275+
M&A Transactions Since 2006[1]

1. Includes closed and signed and pending close transactions.
2. As of December 31, 2022.

With a Diverse Mix of Transactions

FOCUS FINANCIAL PARTNERS

New Partner Firms Added in 2022

AZIMUTH CAPITAL MANAGEMENT LLC

OCTOGONE

ICON WEALTH PARTNERS

FOURTHOUGHT PRIVATE WEALTH

BEAUMONT FINANCIAL PARTNERS

Transactions in 2022

U.S.	Canada
20	2

Switzerland	U.K.
1	1

Partner Firms	Mergers
5	19 (1 Connectus)

We Increased our Footprint in Important Wealth Markets in the US and Internationally

FOCUS FINANCIAL PARTNERS

2022 Highlights

- 24 closed:
  - 5 new partner firms
  - 19 mergers, including 1 Connectus merger
- Acquired a new partner firm Octogone, strategically entering the attractive Switzerland market

Quarter	Type	Firm Name	Acquiring Partner Firm	Closing Date	Primary Office Location
Q4 2022	Partner Firm Acquisitions	1. FourThought Private Wealth		11/1/2022	Venice, FL
		2. Beaumont Financial Partners		11/14/2022	Needham, MA
	Mergers	1. Dental Wealth	Buckingham Strategic Wealth	10/1/2022	Bellevue, WA
		2. Johnson	Hill	10/1/2022	Brentwood, TN
		3. Beekman	Prime Quadrant	10/1/2022	New York, NY
		4. Strategic Capital Advisers	Transform Wealth	10/1/2022	Denver, CO
		5. Guidry	Summit Financial	10/25/2022	Metairie, LA
		6. Alpha Insurance	Ancora	11/1/2022	Westlake, OH
		7. Schur & Sugarman	Provident Financial Management	11/1/2022	Los Angeles, CA
Q3 2022	Partner Firm Acquisitions	1. Octogone Holding		7/1/2022	Geneva, Switzerland
		2. Icon Wealth Partners		8/1/2022	Houston, TX
	Mergers	1. Grecu Capital Management	Buckingham Strategic Wealth	7/1/2022	Bend, OR
		2. Bergman Investment Management	Buckingham Strategic Wealth	7/1/2022	San Mateo, CA
		3. Samson Wealth Management	XML	7/1/2022	Fort Washington, PA
		4. Ross Bennet Smith	NKSFB	7/1/2022	London, United Kingdom
		5. Parsons	Edge	8/26/2022	Dallas, TX
		6. Skinner	Cardinal Point	9/1/2022	Bahamas
		7. RT Mosaic	Cardinal Point	9/1/2022	Calgary, Canada
Q2 2022	Partner Firm Acquisitions	1. Azimuth Capital Management		4/1/2022	Bloomfield Hills, MI
	Mergers	1. Mid-Continent Capital	Connectus	4/1/2022	Chicago, IL
		2. Lumia Wealth	Buckingham Strategic Wealth	4/1/2022	Overland Park, KS
		3. Holloway Wealth Management	ARS Wealth Advisors	5/1/2022	Gainesville, FL
		4. Henry & Horne Wealth Management	InterOcean Capital	6/1/2022	Scottsdale, AZ
Q1 2022	Mergers	1. Harris, Saunders & Leach	The Colony Group	2/4/2022	Washington, DC

M&A Momentum is Continuing into 2023

2023 YTD Highlights

- 11 closed or pending transactions:
  - 1 new partner firm
  - 10 mergers
- Significantly adding to expertise on alternative investments through the pending acquisition of Origin, which will substantially increase the footprint and scale of Kovitz's private real estate fund solutions for clients

	Type	Firm Name	Acquiring Partner Firm	Closing Date	Primary Office Location
Q1 2023	Partner Firm Acquisitions	1. Spectrum Wealth Management		**1/1/2023**	Indianapolis, IN
	Mergers	1. Clintsman Financial Planning	Buckingham Strategic Wealth	**1/1/2023**	Southlake, TX
		2. Davis & Seiley	HoyleCohen	**1/1/2023**	La Mesa, CA
		3. Regent	Bartlett	**1/1/2023**	Louisville, KY
		4. Convergent	Buckingham Strategic Wealth	**2/1/2023**	Plymouth Meeting, PA
		5. Cooper Lapman	The Colony Group	**2/1/2023**	Boston, MA
		6. Oxford	Buckingham Strategic Wealth	**2/1/2023**	Cincinnati, OH
		7. Origin	Kovitz	**Q1'23***	Chicago, IL
		8. Financial Partners Capital Management	GYL Financial Synergies	**Q1'23***	New York, NY
		9. Newman Schimel	Kovitz	**Q1'23***	Deerfield, IL
		10. Alliance Benefit Group Southwest	Sentinel	**Q1'23***	Albuquerque, NM

* Signed and pending close

First Quarter 2023 Outlook

Q1 2023 Outlook

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Revenues

- Estimated Q1 revenues of ~$560 to $570 million
- Estimated Q1 YOY organic revenue growth of 1% to 3%[(1)]
- Estimated Q1 revenue attributable to new partner firm closing: ~$1.2 million* and ~$5 million annualized
- Estimate for both Q1 revenue and YOY organic revenue growth excludes ~$7 million from Q4'22 revenues that will not repeat in Q1

**Relates to the closing of Spectrum on 1/1/23.*

Adjusted EBITDA [(2)]

- Estimated Q1 Adjusted EBITDA[(2)] margin[(3)] of ~24%#
- Estimated Q1 Adjusted EBITDA[(2)] attributable to new partner firm closings: ~$0.4 million*
- Estimated Annualized Acquired Base Earnings[(4)]: ~$1.7 million*

#Excludes any expenses associated with the Clayton, Dubilier & Rice process
**Relates to the closing of Spectrum on 1/1/23.*

Tax Adjustments & Other

- As of December 31, 2022, estimated next twelve months Tax Adjustments[(5)] of ~$67.8 million
- Q1 Tax Receivable Agreement payments of $9.6 million

Net Leverage Ratio [(6)] and Cash Flow

- Estimated Net Leverage Ratio[(6)] ~4.30x
- Estimated cash earnout payments of ~$24 million in Q1
- Deferred cash consideration of ~$12.8 million in Q1
- Deferred cash consideration due by year[(7)]:

2023	2024	2025	2026	2027	2028	2029
~$19.4M	~$21.9M	~$8.2M	-	~$4.7M	-	~$67.9M

1. Organic revenue growth represents the period-over-period growth in revenue related to partner firms, including growth related to acquisitions of wealth management practices and customer relationships by our partner firms, including Connectus, and partner firms that have merged, that for the entire periods presented, are included in our consolidated statements of operations for each of the entire periods presented. We believe these growth statistics are useful in that they present full period revenue growth of partner firms on a ''same store'' basis exclusive of the effect of the partial period results of partner firms that are acquired during the comparable periods.
2. Non-GAAP financial measure. The Company is not providing a quantitative reconciliation of its forward-looking estimate of Adjusted EBITDA or Adjusted EBITDA margin to its most directly comparable GAAP financial measure because such GAAP measure, which is not included in the Company's outlook, is difficult to reliably predict or estimate without unreasonable effort due to its dependency on future uncertainties such as the items noted under the heading "Special Note Regarding Forward-Looking Statements." In addition, we believe such a reconciliation could imply a degree of precision that might be confusing or misleading to investors.
3. Calculated as Adjusted EBITDA divided by revenues.
4. The terms of our management agreements entitle the management companies to management fees typically consisting of all future EBPC of the acquired wealth management firm in excess of Base Earnings up to Target Earnings, plus a percentage of any EBPC in excess of Target Earnings. Acquired Base Earnings is equal to our collective preferred position in Base Earnings or comparable measures. We are entitled to receive these earnings notwithstanding any earnings that we are entitled to receive in excess of Target Earnings. Base Earnings may change in future periods for various business or contractual matters.
5. See footnote 2 on slide 9 for additional information regarding Tax Adjustments. Based on a pro forma 27.0% tax rate.
6. Net Leverage Ratio represents the First Lien Leverage Ratio (as defined in the Credit Facility), and means the ratio of amounts outstanding under the First Lien Term Loan and First Lien Revolver plus other outstanding debt obligations secured by a lien on the assets of Focus LLC (excluding letters of credit other than unpaid drawings thereunder) minus unrestricted cash and cash equivalents to Consolidated EBITDA (as defined in the Credit Facility).
7. Amounts in the below table represent the present value at December 31, 2022.

Credit Profile & Earnings Preference

Q4'22 Credit Refinancing Rationale

- Proactively addressed refinancing and duration risk, created further financial flexibility and increased liquidity to fund strong M&A pipeline
- Closed our credit refinance and term loan raises in November 2022, amending and extending our debt maturities
- Created incremental financial flexibility with $240 million First Lien Term Loan A with 9 month delayed draw feature
- 101 soft call feature for 6 months on new First Lien Term Loan B – Tranche A gives us flexibility if markets continue to strengthen
- Strong credit profile supported by resilient business model, high cash flows and disciplined capital allocation framework
- Weighted average interest rate on funded borrowings of ~6.1% at December 31, 2022, vs. ~4.4% at September 30, 2022

Re-affirmed our commitment to our target Net Leverage Ratio[(1)] of 3.5x to 4.5x

1. Net leverage ratio represents the First Lien Leverage Ratio (as defined in the Credit Facility) and means the ratio of amounts outstanding under the First Lien Term Loan and First Lien Revolver plus other outstanding debt obligations secured by a lien on the assets of Focus LLC (excluding letters of credit other than unpaid drawings thereunder) minus unrestricted cash and cash equivalents to Consolidated EBITDA (as defined in the Credit Facility).

Credit Overview and Interest Rate Sensitivity

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Credit Overview *(as of December 31, 2022)*

	First Lien Term Loan B – Tranche A	First Lien Term Loan B – Tranche B	First Lien Term Loan A	First Lien Revolver
Amount	$1,755.6 million	$788.4 million	$20 million drawn of $240 million facility size with 9 month delayed draw	Undrawn; $650 million facility size
Maturity	June 2028	June 2028	November 2027	November 2027
Applicable Margin	SOFR + 325 bps on $905.6 million variable portion 0.53% + 325 bps on $850 million fixed via hedges 101 soft call feature for 6 months	SOFR + 250 bps	SOFR + 250 bps on drawn	SOFR + 225 bps on drawn with step downs based on Net Leverage Ratio [1] 50 bps on undrawn portion with step downs based on Net Leverage Ratio [1]
OID	98.25	99.25	98.5	Not Applicable
SOFR Floor	0.50%	0.50%	0.50%	0.00%
Amortization	1.00% / $17.6 million per annum	1.00% / $8.0 million per annum	When drawn 3/31/23 – 12/31/23: 1.0% 3/31/24 – 12/31/24: 2.0% 3/31/25 – 12/31/25: 2.0% 3/31/26 – 12/31/26: 5.0% 3/31/27 – 12/31/27: 7.5%	Not Applicable
Net Leverage Ratio[1] Covenant	6.25x			

Q4'22 Interest Expense Sensitivity to SOFR[2]

Actual Q4'22 Reported Interest Expense (including impact of hedges)
$35.9M

Pre-tax Impact to Q4'22 Interest Expense if 30-day SOFR was different by:	
-50 bps	+50 bps
-$2.2M	+$2.2M

1. Net Leverage Ratio represents the First Lien Leverage Ratio (as defined in the Credit Facility) and means the ratio of amounts outstanding under the First Lien Term Loan and First Lien Revolver plus other outstanding debt obligations secured by a lien on the assets of Focus LLC (excluding letters of credit other than unpaid drawings thereunder) minus unrestricted cash and cash equivalents to Consolidated EBITDA (as defined in the Credit Facility). Net Leverage Ratio covenant is for the benefit of the First Lien Revolver and First Lien Term Loan A only.
2. Analysis shows the actual interest expense for Q4'22, inclusive of the Company's Term Loans, Revolver borrowings and the impact of the three cash flow hedges which effectively convert the SOFR variable interest rate on the first $850 million of Term Loan borrowings to a fixed weighted average interest rate of 53 basis points. The analysis then assumes that 30-day SOFR rates were either 50 bps lower or higher throughout the entire period.

Strong Credit and Liquidity Profile

As of December 31, 2022:

Debt cost	~6.1% weighted average interest rate on funded borrowings
Duration risk	~5.5 years remaining to maturity for Term Loan B (June 2028) ~4.9 years remaining to maturity for Term Loan A (November 2027) ~4.9 years remaining to maturity for Revolver (November 2027)
Liquidity	~$140 million cash ~$640 million available Revolver capacity ~$220 million undrawn Term Loan A ~$318 million LTM Cash Flow Available for Capital Allocation(1)
Downside protection	95%+ fee-based and recurring revenues, variable management fees and earnings preference protect cash flows

1. Non-GAAP financial measure. See Appendix for reconciliations.

Earnings Preference Provides Strong Downside Earnings Protection

- Reflects one-quarter impact to revenues and Covenant EBITDA[(1)(2)]
- Assumes all other revenue sources and expenses remain unchanged except for management fees
- In the event of a multi-quarter downturn
  - Partner firms would further reduce their cost structure
  - M&A activity would moderate
  - Cash flow would be available for debt repayment
- Significant headroom on covenant
  - Q4 Covenant EBITDA-LTM[(2)] would need to drop to $387.9 million, or decline by 33%, to reach 6.25x net leverage ratio covenant

Sensitivity Analysis
(Illustrative Only)

	Reported		
Equity market decline		(20)%	(40)%
Assumed Client Portfolio Allocation to Equities		50%	50%
Decline in market-correlated revenues[(1)]		(10)%	(20)%
($ in millions)	**Reported**		
Q4'22 Market-Correlated Revenues	$ 394.3	$ 354.9	$ 315.4
Q4'22 Non-Correlated Revenues	$ 153.4	$ 153.4	$ 153.4
Total Revenue - Q4'22	$ 547.7	$ 508.3	$ 468.8
Covenant EBITDA[(2)] - LTM	$ 578.4	$ 558.0	$ 538.2
Net Debt[(3)]	$ 2,424.2	$ 2,424.2	$ 2,424.2
Net Leverage Ratio[(2)]	4.19x	4.34x	4.50x
Change from Q4 Reported		0.15x	0.31x

1. The analysis depicts the impact on our Net Leverage Ratio (as defined in the Credit Facility) resulting from a hypothetical change in Q4 market correlated revenues only. All other revenues/expenses were kept constant except management fees, which are tied to the profitability of our partner firms.
2. Net leverage ratio represents the First Lien Leverage Ratio (as defined in the Credit Facility), and means the ratio of amounts outstanding under the First Lien Term Loan and First Lien Revolver plus other outstanding debt obligations secured by a lien on the assets of Focus LLC (excluding letters of credit other than unpaid drawings thereunder) minus unrestricted cash and cash equivalents to Consolidated EBITDA (as defined in the Credit Facility), which in the above table is referred to as "Covenant EBITDA."
3. Net Debt represents amounts outstanding under the First Lien Term Loan and First Lien Revolver plus other outstanding debt obligations secured by a lien on the assets of Focus LLC (excluding letters of credit other than unpaid drawings thereunder) minus unrestricted cash and cash equivalents.
4. The terms of our management agreements entitle the management companies to management fees typically consisting of all future EBPC of the acquired wealth management firm in excess of Base Earnings up to Target Earnings, plus a percentage of any EBPC in excess of Target Earnings. Acquired Base Earnings is equal to our collective preferred position in Base Earnings or comparable measures. We are entitled to receive these earnings notwithstanding any earnings that we are entitled to receive in excess of Target Earnings. Base Earnings may change in future periods for various business or contractual matters.

Supported by Substantial Acquired Base Earnings(1)

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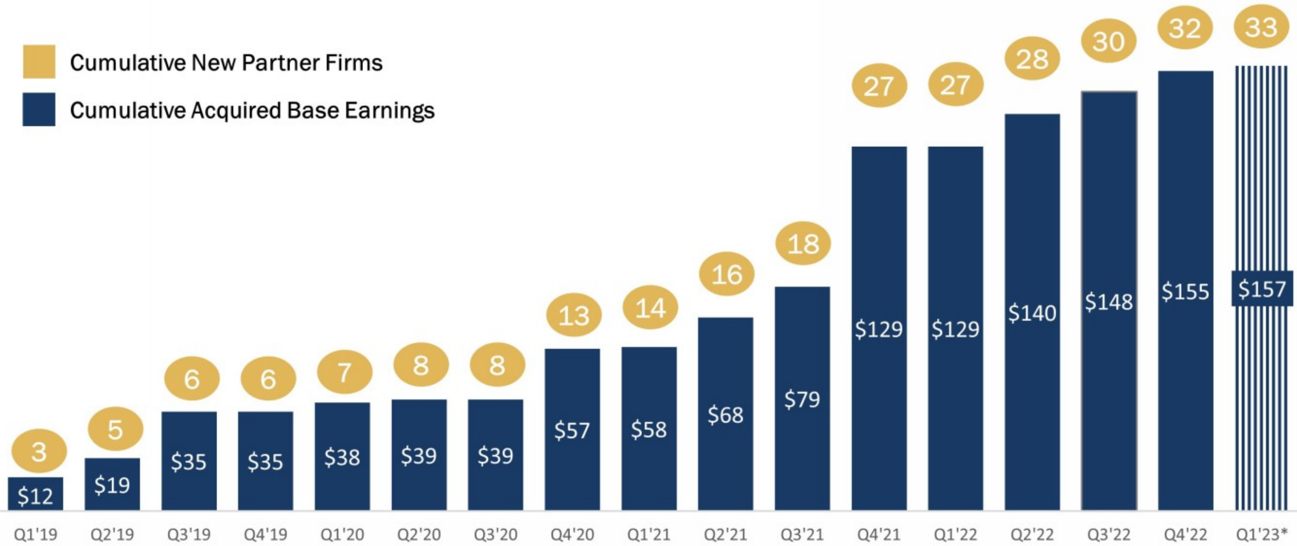
Cumulative New Partner Firms and Acquired Base Earnings(1) Since Q1 2019

($ in Millions)



**Q1 includes a new partner firm that has closed.*

1. The terms of our management agreements entitle the management companies to management fees typically consisting of all future EBPC of the acquired wealth management firm in excess of Base Earnings up to Target Earnings, plus a percentage of any EBPC in excess of Target Earnings. Acquired Base Earnings is equal to our preferred position in Base Earnings or comparable measures. We are entitled to receive these earnings notwithstanding any earnings that we are entitled to receive in excess of Target Earnings. Base Earnings may change in future periods for various business or contractual matters.

Structural Protections in Our Financial Model (Illustration)

Earnings Preference Provides Downside Protection

		Base Case	+10% Revenues	-10% Revenues
At Time of Deal	Revenues	$5,000	$5,500	$4,500
	Operating Expenses (excl. management fees)	-$2,000	-$2,000	-$2,000
	Earnings Before Partner Compensation ("EBPC") (1)	**$3,000**	$3,500	$2,500
	Focus Acquired Base Earnings (1)			
	Split	50%	50%	50%
	To Focus	$1,500	$1,750	$1,500
	To Management Company (as Management Fee) (1)	$1,500	$1,750	$1,000
	Management Fee as % of Revenue	30%	32%	22%

For Firms Above Target Earnings, Split Mitigates Downside Financial Impact to Focus

		Base Case	+10% Revenues	-10% Revenues
Firm Has Grown Above Target Earnings	Revenues	$10,000	$11,000	$9,000
	Operating Expenses (excl. management fees)	-$3,500	-$3,500	-$3,500
	Earnings Before Partner Compensation ("EBPC")	$6,500	$7,500	$5,500
	Original Target EBPC at Time of Deal	$3,000	$3,000	$3,000
	Current EBPC Above Target	$3,500	$4,500	$2,500
	To Focus			
	Preference On Original EBPC at Time of Deal (50%)	$1,500	$1,500	$1,500
	Split on Excess Above Target (50%)	$1,750	$2,250	$1,250
		$3,250	$3,750	$2,750
	To Management Company (as Management Fee) (1)			
	Original EBPC at Time of Deal (50%)	$1,500	$1,500	$1,500
	Split on Excess Above Target (50%)	$1,750	$2,250	$1,250
		$3,250	$3,750	$2,750
	Management Fee as % of Revenue	33%	34%	31%

1. The terms of our management agreements entitle the management companies to management fees typically consisting of all Earnings Before Partner Compensation ("EBPC") in excess of Base Earnings up to Target Earnings, plus a percentage of any EBPC in excess of Target Earnings. Acquired Base Earnings is equal to our preferred position in Base Earnings or comparable measures. We are entitled to receive these earnings notwithstanding any earnings that we are entitled to receive in excess of Target Earnings. Base Earnings may change in future periods for various business or contractual matters. Management fees growth represents the period-over-period growth in GAAP management fees earned by management companies. While an expense, we believe that growth in management fees reflect the strength of the partnership.

Cash Flows

Resilient Cash Flows Despite Market Volatility

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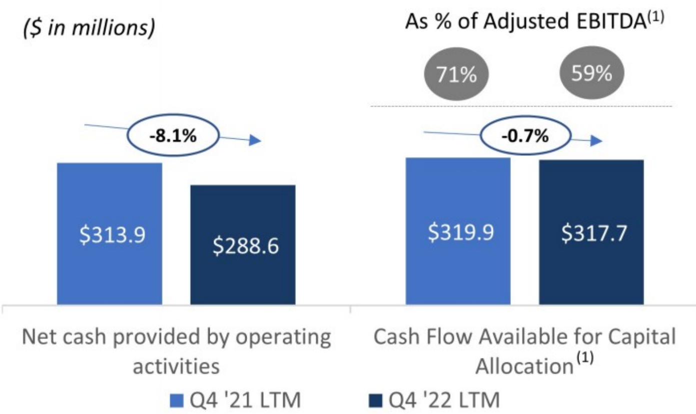
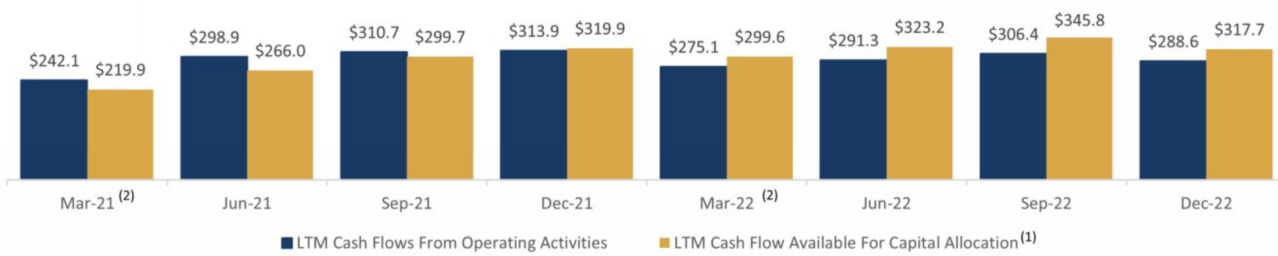
Cash Flow Snapshot



Q1 2023 Supplemental Cash Flow Disclosures

- Q1 2023 estimated cash earnouts of ~$24 million
- $9.6 million Tax Receivable Agreements ("TRA") payments in Q1 2023
- Q1 2023 required term loan amortization of ~$6.5 million
- Based on the terms of our Credit Facility, no excess cash flow payments required in 2023

Cash Flow Trend ($ in millions)



1. Non-GAAP financial measure. See Appendix for reconciliations.
2. Net cash provided by operating activities for the three months ended March 31, 2021 and 2022, respectively, include cash outflows related to due to affiliates (i.e. management fees). A portion of management fees were paid in Q1 post the issuance of the respective annual audit included in our Form 10-K.

Over $2.9 Billion Tax Shield Created by Tax Efficient Transaction Structure

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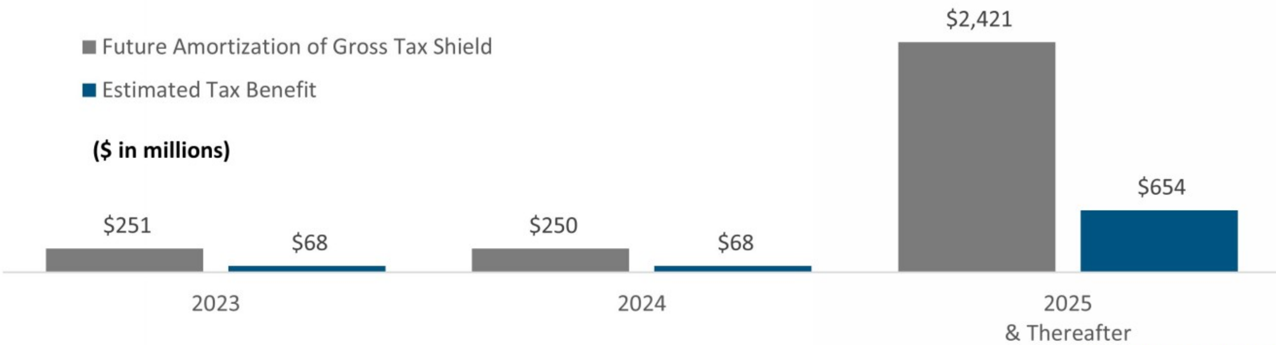
Focus generally acquires intangible assets which generate tax shields(1)

Incremental acquisitions & earnout payments will drive new tax shields in the future.



$2.9+ billion cumulative unamortized gross tax shield(1,2)

~$789 million economic benefit(3)

~$512 million net present value(4)

~$6.15 per share(4,5)

1. Focus partner firms typically have limited tangible assets on acquisition date. Focus typically purchases customer lists, management contracts and goodwill. Consideration is typically paid in cash. Each incremental M&A transaction creates an additional tax shield which generates substantial value for shareholders and enhances our cash flows. Each tax shield is amortized over 15 years (as required under Internal Revenue Code Section 197).
2. As of December 31, 2022.
3. Based on 27% pro forma tax rate.
4. Based on assumed 8% discount rate.
5. Based on Q4 2022 Adjusted Shares Outstanding. See Appendix for reconciliation of number of shares.

Appendix

Net Income (Loss) to Adjusted EBITDA Reconciliation

($ in thousands)	2020	2021	2022	Three months ended Dec. 31, 2021	Three months ended Dec. 31, 2022
Net income (loss)	$ 48,965	$ 24,440	$ 125,278	$ 14,935	$ (1,411)
Interest income	(453)	(422)	(791)	(112)	(645)
Interest expense	41,658	55,001	99,887	17,108	35,888
Income tax expense (benefit)	20,660	20,082	53,077	14,044	(6,888)
Amortization of debt financing costs	2,909	3,958	3,999	1,102	1,000
Intangible amortization	147,783	187,848	261,842	54,807	69,586
Depreciation and other amortization	12,451	14,625	15,281	3,790	3,827
Non-cash equity compensation expense	22,285	31,602	30,453	7,033	8,263
Non-cash changes in fair value of estimated contingent consideration	19,197	112,416	(64,747)	16,175	17,703
Loss on extinguishment of borrowings	6,094	—	1,807	—	1,807
Other expense - net	214	337	11,370	118	7,536
Secondary offering expenses (1)	—	1,409	—	—	—
Adjusted EBITDA	$ 321,763	$ 451,296	$ 537,456	$ 129,000	$ 136,666

1. Relates to offering expenses associated with the March 2021 and June 2021 secondary offerings.

Net Income (Loss) to Adjusted Net Income Excluding Tax Adjustments and Adjusted Net Income Excluding Tax Adjustments Per Share Reconciliation

($ in thousands, except share and per share data)	2020	2021	2022	Three months ended Dec. 31, 2021	Three months ended Dec. 31, 2022
Net income (loss)	$ 48,965	$ 24,440	$ 125,278	$ 14,935	$ (1,411)
Income tax expense (benefit)	20,660	20,082	53,077	14,044	(6,888)
Amortization of debt financing costs	2,909	3,958	3,999	1,102	1,000
Intangible amortization	147,783	187,848	261,842	54,807	69,586
Non-cash equity compensation expense	22,285	31,602	30,453	7,033	8,263
Non-cash changes in fair value of estimated contingent consideration	19,197	112,416	(64,747)	16,175	17,703
Loss on extinguishment of borrowings	6,094	—	1,807	—	1,807
Secondary offering expenses (1)	—	1,409	—	—	—
Subtotal	267,893	381,755	411,709	108,096	90,060
Pro forma income tax expense (27%) (2)	(72,331)	(103,074)	(111,161)	(29,185)	(24,316)
Adjusted Net Income Excluding Tax Adjustments	$ 195,562	$ 278,681	$ 300,548	$ 78,911	$ 65,744
Tax Adjustments (2) (3)	$ 37,254	$ 46,805	$ 64,359	$ 13,440	$ 16,905
Adjusted Net Income Excluding Tax Adjustments Per Share	$ 2.46	$ 3.36	$ 3.62	$ 0.94	$ 0.79
Tax Adjustments Per Share (3)	$ 0.47	$ 0.56	$ 0.77	$ 0.16	$ 0.20
Adjusted Shares Outstanding	79,397,568	82,893,928	83,093,073	83,575,753	83,210,551
Calculation of Adjusted Shares Outstanding:					
Weighted average shares of Class A common stock outstanding—basic (4)	48,678,584	57,317,477	65,552,592	61,290,333	65,883,284
Adjustments:					
Weighted average incremental shares of Class A common stock related to stock options, unvested Class A common stock and restricted stock units (5)	118,029	513,674	257,623	649,401	165,930
Weighted average Focus LLC common units outstanding (6)	21,461,080	15,200,900	11,857,164	12,046,461	11,731,666
Weighted average Focus LLC restricted common units outstanding (7)	5,005	73,983	199,495	81,726	217,913
Weighted average common unit equivalent of Focus LLC incentive units outstanding (8)	9,134,870	9,787,894	5,226,199	9,507,832	5,211,758
Adjusted Shares Outstanding	79,397,568	82,893,928	83,093,073	83,575,753	83,210,551

**** Refer to the following pages for footnotes***

Net Income (Loss) to Adjusted Net Income Excluding Tax Adjustments and Adjusted Net Income Excluding Tax Adjustments Per Share Reconciliation

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** These footnotes refer to the tables on the previous page.*

1. Relates to offering expenses associated with the March 2021 and June 2021 secondary offerings.
2. The pro forma income tax rate of 27% reflects the estimated U.S. federal, state, local and foreign income tax rates applicable to corporations in the jurisdictions we conduct business and is used for comparative purposes. The actual effective income tax rate, in current or future periods, may differ significantly from the pro forma income tax rate of 27%. The actual effective income tax rate is the percentage of income tax after taking into consideration various tax deductions, credits and limitations. Among other things, periods of increased interest expense and limits on our ability to deduct interest expense may, in current or future periods, contribute to an actual effective income tax rate that is less than or greater than the pro forma income tax rate of 27%.
3. Tax Adjustments represent the tax benefits of intangible assets, including goodwill, associated with deductions allowed for tax amortization of intangible assets in the respective periods based on a pro forma 27% income tax rate. Such amounts were generated from acquisitions completed where we received a step-up in basis for tax purposes. Acquired intangible assets may be amortized for tax purposes, generally over a 15-year period. Due to our acquisitive nature, tax deductions allowed on acquired intangible assets provide additional significant supplemental economic benefit. The tax benefit from amortization is included to show the full economic benefit of deductions for acquired intangible assets with the step-up in tax basis. As of December 31, 2022, estimated Tax Adjustments from intangible asset related income tax benefits from closed acquisitions based on a pro forma 27% income tax rate for the next 12 months is $67.8 million.
4. Represents our GAAP weighted average Class A common stock outstanding – basic.
5. Represents the incremental shares related to stock options, unvested Class A common stock and restricted stock units as calculated under the treasury stock method.
6. Assumes that 100% of the Focus LLC common units, including contingently issuable Focus LLC common units, if any, were exchanged for Class A common stock.
7. Assumes that 100% of the Focus LLC restricted common units were exchanged for Class A common stock.
8. Assumes that 100% of the vested and unvested Focus LLC incentive units were converted into Focus LLC common units based on the closing price of our Class A common stock at the end of the respective period and such Focus LLC common units were exchanged for Class A common stock.

Reconciliation of Cash Flow Available for Capital Allocation

($ in thousands)	Three months ended June 30, 2020	Sept. 30, 2020	Dec. 31, 2020	Mar. 31, 2021 [(4)]	June 30, 2021
Net cash provided by operating activities	$ 60,996	$ 74,089	$ 72,894	$ 34,128	$ 117,832
Purchase of fixed assets	(2,759)	(6,744)	(6,658)	(2,835)	(1,483)
Distributions for unitholders	(3,076)	(8,122)	(6,692)	(9,055)	(10,053)
Payments under tax receivable agreements	—	—	—	(4,112)	(311)
Adjusted Free Cash Flow	$ 55,161	$ 59,223	$ 59,544	$ 18,126	$ 105,985
Portion of contingent consideration paid included in operating activities (1)	16,369	3,806	2,394	5,276	11,605
Portion of deferred acquisition consideration paid included in operating activities (2)	—	—	—	—	—
Cash Flow Available for Capital Allocation (3)	$ 71,530	$ 63,029	$ 61,938	$ 23,402	$ 117,590

($ in thousands)	Three months ended Sept. 30, 2021	Dec. 31, 2021	Mar. 31, 2022 [(4)]	June 30, 2022	Sept 30, 2022	Dec 31, 2022	Trailing 4-Quarters ended Dec. 31, 2021	Dec. 31, 2022
Net cash provided by operating activities	$ 85,888	$ 76,070	$ (4,642)	$ 133,934	$ 101,024	$ 58,283	$ 313,918	$ 288,599
Purchase of fixed assets	(2,242)	(4,458)	(3,232)	(3,197)	(6,723)	(7,865)	(11,018)	(21,017)
Distributions for unitholders	(7,283)	(5,920)	(8,209)	(7,747)	(4,563)	(2,465)	(32,311)	(22,984)
Payments under tax receivable agreements	—	—	(3,856)	—	—	—	(4,423)	(3,856)
Adjusted Free Cash Flow	$ 76,363	$ 65,692	$ (19,939)	$ 122,990	$ 89,738	$ 47,953	$ 266,166	$ 240,742
Portion of contingent consideration paid included in operating activities (1)	20,415	16,439	23,049	18,202	29,571	6,093	53,735	76,915
Portion of deferred acquisition consideration paid included in operating activities (2)	—	—	—	—	16	—	—	16
Cash Flow Available for Capital Allocation (3)	$ 96,778	$ 82,131	$ 3,110	$ 141,192	$ 119,325	$ 54,046	$ 319,901	$ 317,673

1. A portion of contingent consideration paid is classified as operating cash outflows in accordance with GAAP (with the balance reflected in investing or financing cash outflows) and therefore is a reconciling item to arrive at Cash Flow Available for Capital Allocation.
2. A portion of deferred cash consideration paid is classified as operating cash outflows in accordance with GAAP (with the balance reflected in financing cash outflows) and therefore is a reconciling item to arrive at Cash Flow Available for Capital Allocation.
3. Cash Flow Available for Capital Allocation excludes all contingent consideration and deferred cash consideration that was included in either operating, investing or financing activities of our consolidated statements of cash flows.
4. Net cash provided by operating activities for the three months ended March 31, 2021 and 2022, respectively, include cash outflows related to due to affiliates (i.e. management fees). A portion of management fees were paid in Q1 post the issuance of the respective annual audit included in our Form 10-K.