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): **December 9, 2021**

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 7.01 Regulation FD Disclosure.

As previously announced, Focus Financial Partners Inc. (the “Company”) will hold its second Investor Day via video live stream on Thursday, December 9, 2021. The event will begin at 8:00 a.m. Eastern Time. To access the live stream, please visit the 2021 Investor Day page under Events in the Investor Relations section of the Company’s website, www.focusfinancialpartners.com. A replay and the 2021 Investor Day presentation slides will be available on the Company’s website at the same address. A copy of the 2021 Investor Day presentation slides are also furnished with this Current Report on Form 8-K (this “Current Report”) as Exhibit 99.1.

The information in this Current Report, being furnished pursuant to Items 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. 2021 Investor Day Presentation Slides.
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: December 9, 2021

Exhibit 99.1

FOCUS
FINANCIAL PARTNERS

INVESTOR DAY 2021

VISION *for* VISIONARIES.

December 9, 2021

Safe Harbor

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 impact and duration of the outbreak of the novel coronavirus, 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 (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, gain on sale of investment, loss on extinguishment of borrowings, other expense/income, net, impairment of equity method investment, management contract buyout, delayed offering cost expense, secondary offering expenses and other one time transaction expenses. 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, and (iv) to evaluate the effectiveness of our business strategies. 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 (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, gain on sale of investment, loss on extinguishment of borrowings, management contract buyout, if any, delayed offering cost expense, secondary offering expenses and other one time transaction expenses. 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.

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.

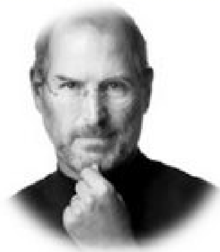
To supplement our statements of cash flows presented on a GAAP basis, we use non-GAAP liquidity measures on a trailing 4-quarter basis to analyze cash flows generated from our operations. We consider Adjusted Free Cash Flow and Cash Flow Available for Capital Allocation to be liquidity measures that 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, 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 unitholders and payments under tax receivable agreements (if any). We define Cash Flow Available for Capital Allocation as Adjusted Free Cash Flow plus the portion of contingent consideration paid which is classified as operating cash flows under GAAP. 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.

Client Asset Terms Used

Regulatory assets under management or "RAUM" refers to the RAUM reported in the Form ADVs filed with the SEC by our partner firms. RAUM data does not include client assets managed or advised by non-SEC registered firms, including international firms. RAUM does not include all client assets that our partner firms charge fees on and does include assets that our partner firms do not charge fees on. Furthermore, some of our partner firms also charge flat fees, an hourly rate or a combination of fees, which are not based on the amount of the clients' assets, and charge a number of fees for services unrelated to client assets. RAUM data is only as of the dates stated in the respective Form ADVs and may be as of a different date than a year-end date. There may have been material changes in our partner firms' RAUM since such dates. "Client assets" includes RAUM of our partner firms plus additional assets overseen by our partner firms that do not meet the SEC's RAUM definition as well as assets overseen by non-SEC registered firms, including international firms.


Overview &
2025 Strategy Update
Rudy Adolf | Founder, Chief Executive Officer & Chairman

Our founding principle

“Never turn a successful entrepreneur into an employee.”




Our bold new vision for 2025

Q3 LTM 2019	FOCUS 2025 November 2019 Investor Day	FOCUS 2025	Versus Original Vision:
Results:	Original Vision:	New Vision:	
~$1.1 billion revenues	~$3.5 billion revenues	~$4.0 billion revenues	+14%
~$241 million Adjusted EBITDA[1]	~$840 million Adjusted EBITDA[2]	~$1.1 billion Adjusted EBITDA[2]	+31%
~21% Adjusted EBITDA Margin[3]	~24% Adjusted EBITDA Margin[3]	~28% Adjusted EBITDA Margin[3]	+4 ppts
63 partner firms[4]	~100 partner firms	~125 partner firms	+25%

(1) Non-GAAP financial measure. See Appendix for reconciliations.
(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) Adjusted EBITDA divided by revenue.
(4) As of November 20, 2019.

Significant progress since our 2019 Investor Day

- Record revenues, Adjusted EBITDA(1) and cash flow
- Increased M&A momentum
- Launched Connectus Wealth Advisers globally
- Accelerated international expansion
- Expanded value-added services
- Strategic joint ventures: Orion(2), Hinduja Group(3)
- Generated total shareholder return of >145%(4)

$350+ billion client assets(5)

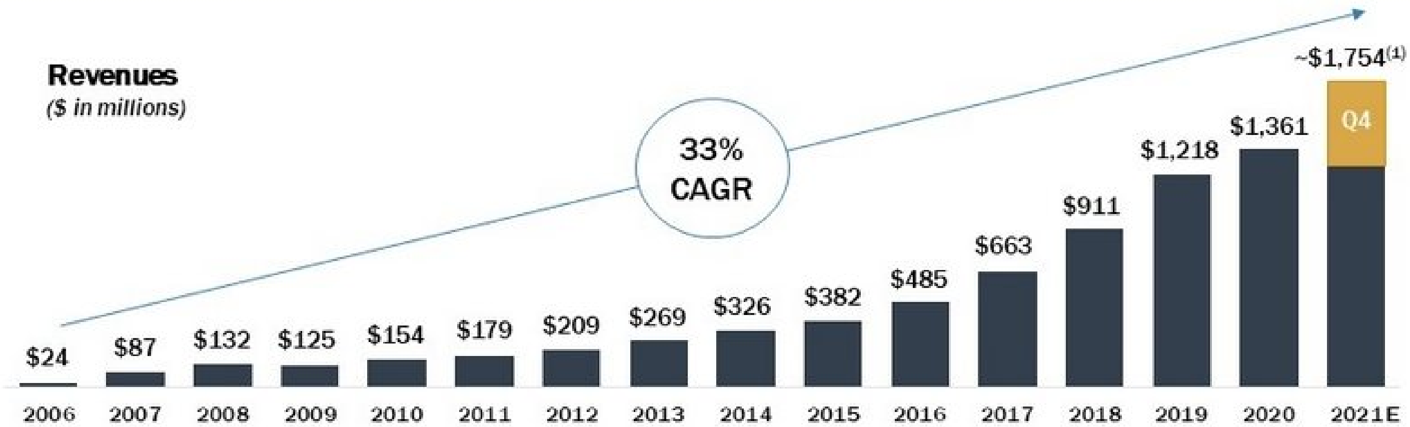
82 partner firms(6)

4 countries

4,800+ principals & employees(7)

(1) Non-GAAP financial measure.
(2) Joint venture between Orion Advisor Solutions and Focus Client Solutions announced January 27, 2021.
(3) Joint venture between Focus and the Hinduja Group to establish Beryllus Capital announced March 22, 2021.
(4) Based on closing share price as of November 20, 2019 and December 6, 2021.
(5) Regulatory assets under management or "RAUM" refers to the RAUM reported in the Form ADVs filed with the SEC by our partner firms. RAUM data does not include client assets managed or advised by non-SEC registered firms, including international firms. RAUM does not include all client assets that our partner firms charge fees on and does include assets that our partner firms do not charge fees on. Furthermore, some of our partner firms also charge flat fees, an hourly rate or a combination of fees, which are not based on the amount of the clients' assets, and charge a number of fees for services unrelated to client assets. RAUM data is only as of the dates stated in the respective Form ADVs and may be of a different date than a year-end date. There may have been material changes in our partner firms' RAUM since such dates. "Client assets" as of November 1, 2021 includes RAUM of our partner firms plus additional assets overseen by our partner firms that do not meet the SEC's RAUM definition as well as assets overseen by non-SEC registered firms, including international firms.
(6) As of December 1, 2021. Includes signed and pending close transactions.
(7) As of November 1, 2021.

Excellent financial performance



LTM Q3 2019 Versus LTM Q3 2021

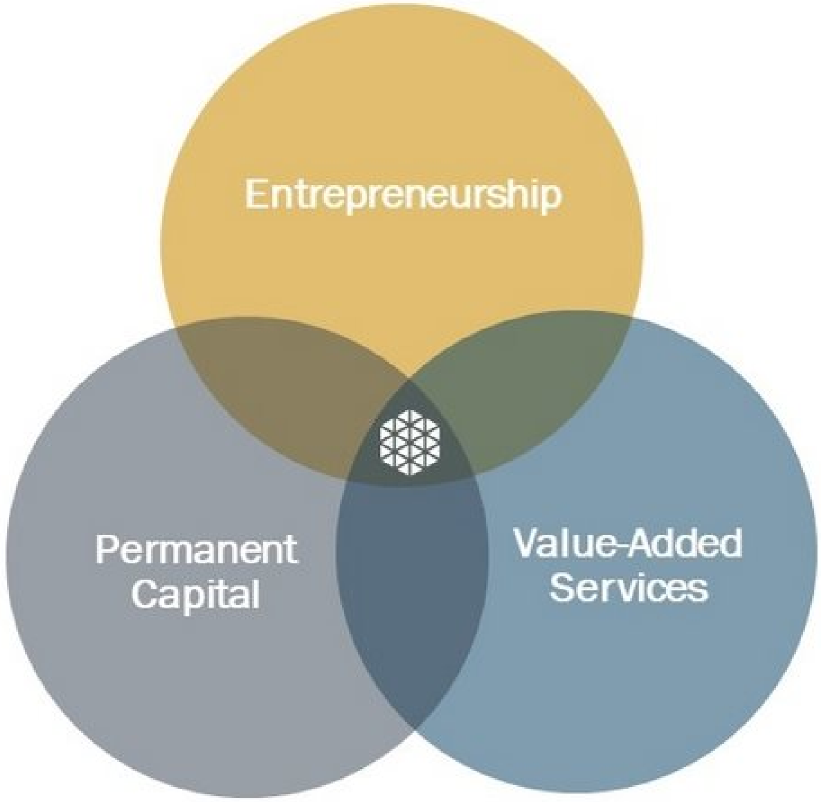
+21%	+31%	+3.6%	+41%	+21%
CAGR	CAGR	ppt increase	CAGR	CAGR
Revenues	Adjusted EBITDA[2]	Adjusted EBITDA[2] Margin[3]	Adjusted Net Income Excluding Tax Adjustments[2]	Tax Adjustments[4]

(1) Fiscal 2021 estimate is comprised of actual results for the 9 months ended September 30, 2021, plus the mid-point of the Q4 2021 guidance for revenues ($475 to $485 million).
(2) Non-GAAP financial measure. See Appendix for reconciliations.
(3) Adjusted EBITDA divided by revenue.
(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.

You've asked us some key questions

1. Why do partner firms join Focus?
2. What returns do you achieve?
3. What is your organic growth?
4. How sustainable is your long-term growth?

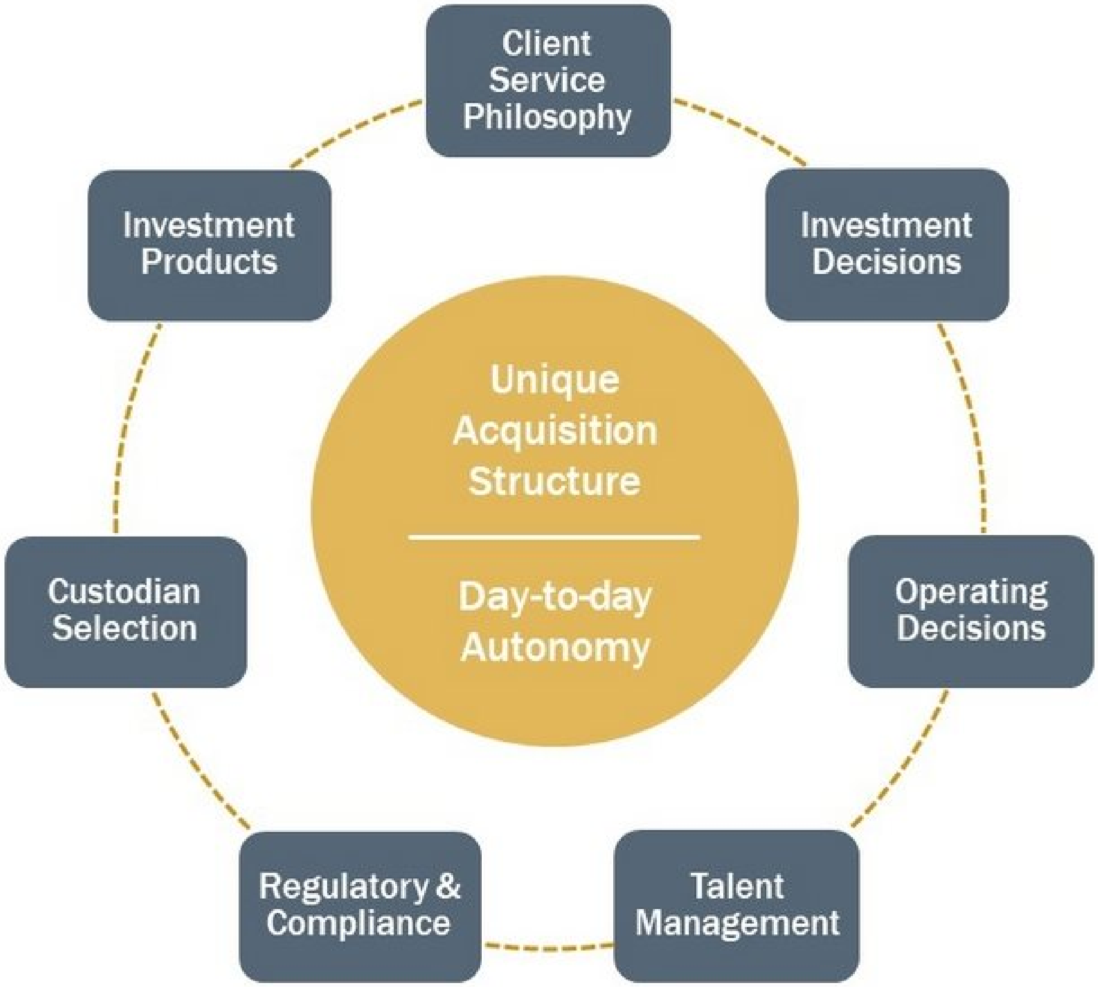
Our value proposition is unique



"By entrepreneurs. For entrepreneurs."

1 Why do partner firms join Focus?

We empower successful entrepreneurs



We provide access to resources, capital, and expertise

Established track record

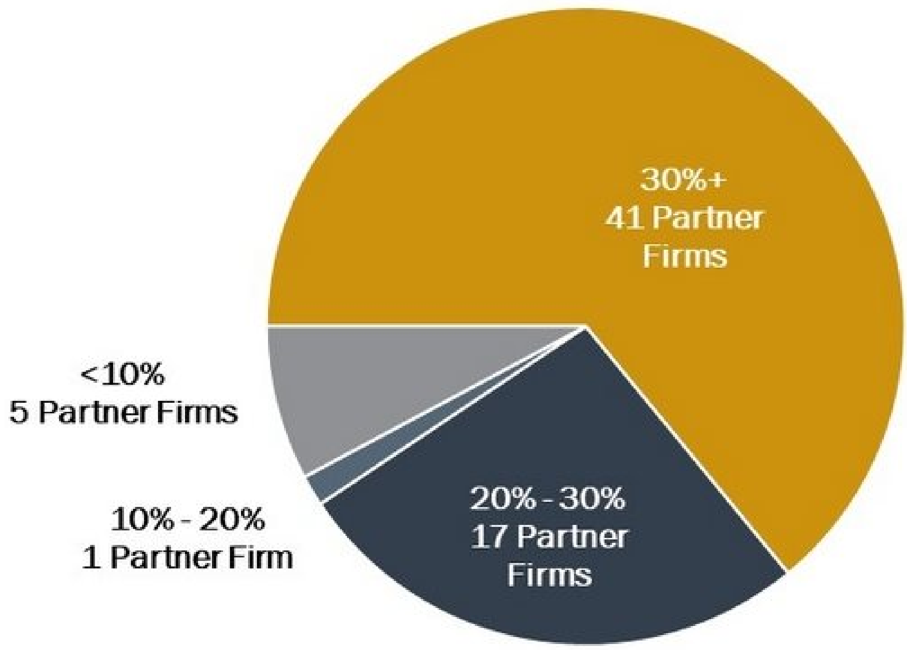
Deep industry relationships

Extensive COI network

Broad, diverse partnership

As we have grown, our returns have improved

Partner Firm Levered IRRs(1)



Weighted Average Levered IRR >25%

Median Levered IRR >30%

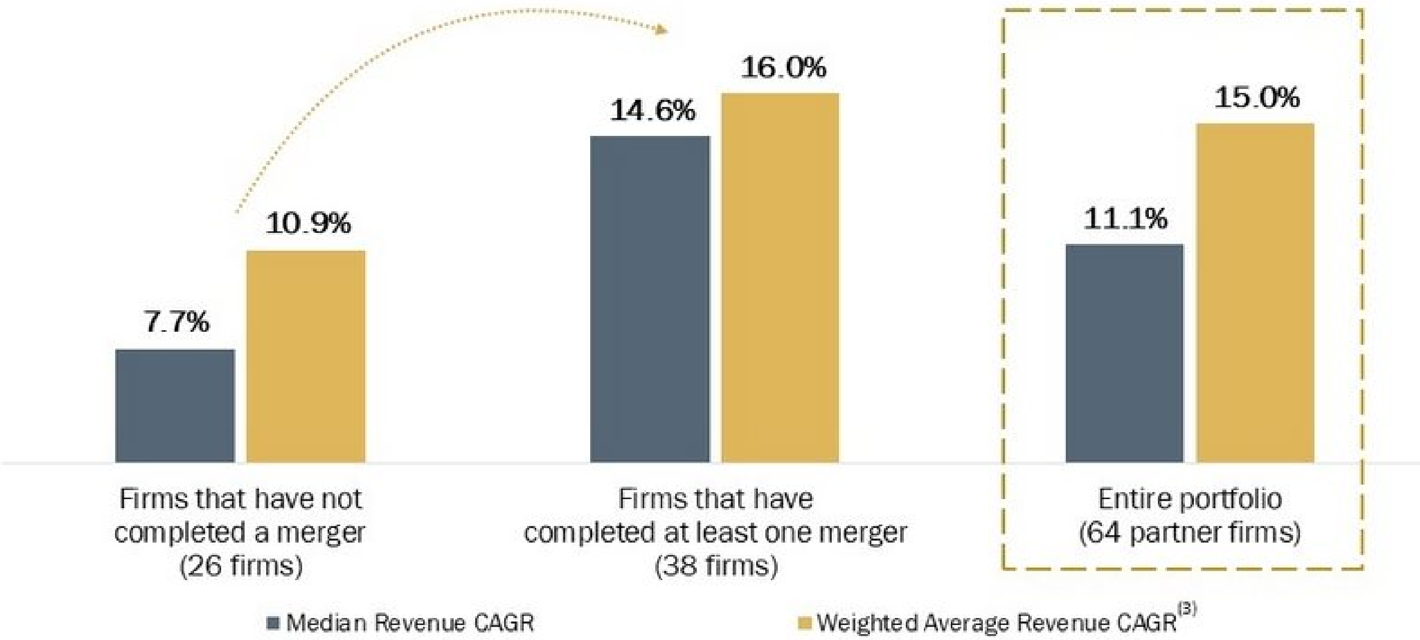
>90% of Firms Generate Levered IRRs in Excess of 20%

(1) Based on the 64 firms that were with us for at least 2 years as of September 30, 2021. Reflects Focus capital structure as of September 30, 2021: 2.5% pre-tax cost of debt and 27.0% tax rate offset by tax intangibles generated by partner firms since joining Focus. Capital deployed based on cash and stock consideration since inception. Terminal value based on each partner firm's respective weighted average acquired Adjusted EBITDA multiple, inclusive of mergers, multiplied by Q3 2021 LTM Adjusted EBITDA and Q3 2021 run-rate Adjusted EBITDA for firms that completed an M&A transaction within the past 12 months.

What is your organic growth?

Our organic growth is strong, both including mergers…

Revenue CAGR Since Inception[1,2]



64 partner firms represented ~95% of our Q3 2021 LTM revenues

(1) As of September 30, 2021.

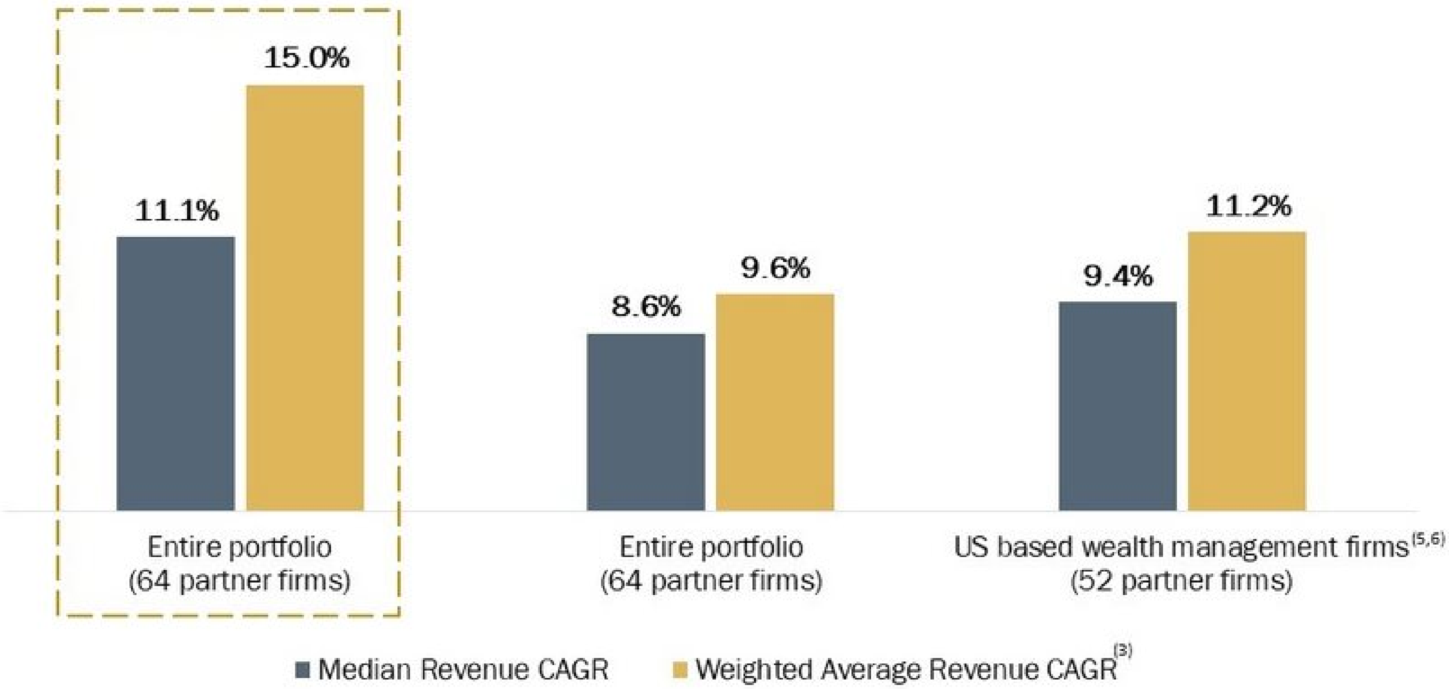
(2) Inception means first full four quarters as a Focus partner firm and reflects activity through all market cycles during that time. The analysis includes the 64 firms since inception (out of the 78 firms) that have been with us for at least 2 years as of September 30, 2021 in order to determine a baseline revenue growth rate. If Focus partner firms merged together, their financials have been combined.

(3) Weightings are based on the September 30, 2021 LTM revenues of the respective partner firms.

3 What is your organic growth?

...And excluding mergers, driven by U.S. wealth managers

Revenue CAGR Since Inception(1,2)	Revenue CAGR Since Inception – Excluding Mergers(1,2,3,4)

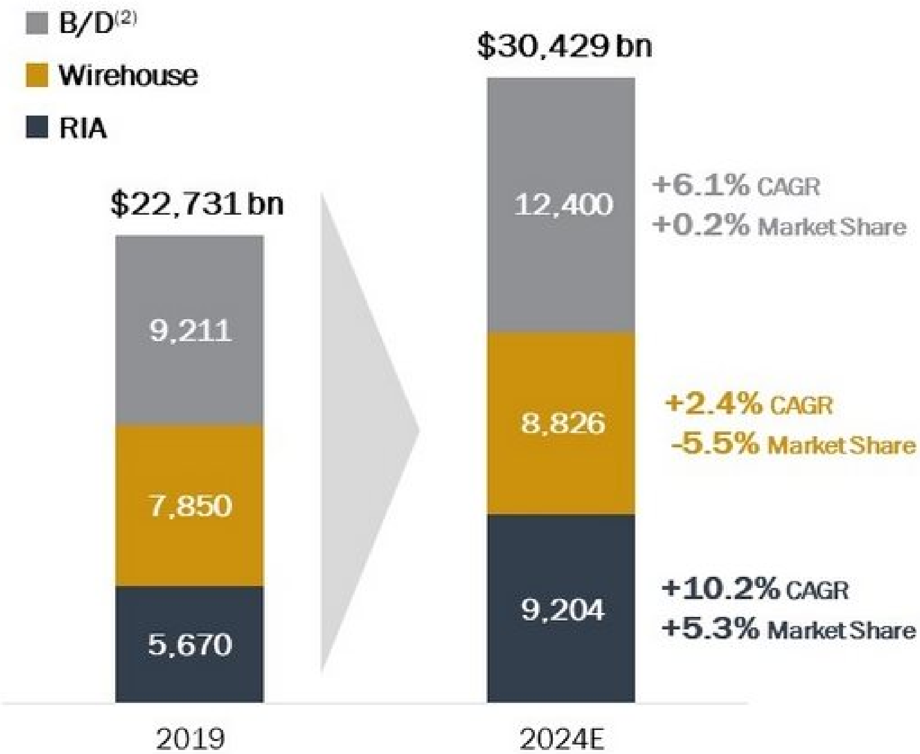


(1) As of September 30, 2021.
(2) Inception means first full four quarters as a Focus partner firm and reflects activity through all market cycles during that time. The analysis includes the 64 firms since inception (out of the 78 firms) that have been with us for at least 2 years as of September 30, 2021 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 September 30, 2021 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 52 US based wealth management firms have been with Focus for a weighted average of ~6 years and a median period of ~5 years. Revenues are inclusive of all affiliated business lines.
(6) Excludes dedicated family office type partner firms, international firms as well as partner firms affiliated with Third Party Administration revenues.

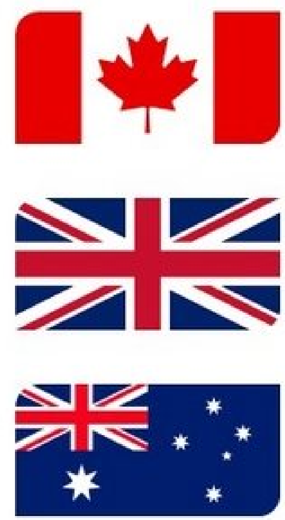
4 How sustainable is your long-term growth?

RIAs will continue to be the winning segment

US Opportunity[1]



Plus multi-trillion[3] opportunity in key international markets



(1) Sources: Cerulli US Advisor Metrics 2020; Envestnet Industry Trends (March 2021).
(2) Broker Dealers include National and regional B/D, IBD, Insurance B/D and Retail bank B/D.
(3) Sources: Advocis – The Financial Advisors Association of Canada; Canadian Investment Funds Industry: Recent Developments and Outlook (2019). Includes private wealth, full-service brokerage and financial advisor assets; IBIS World Report on UK Financial Advice, July 2020; PIMFA, January 2021; 2019 Australian Financial Advice Landscape.

Note: Total may not add up due to rounding.

Demand for advice drives growth and limits fee pressure

Need For Advice Has Increased

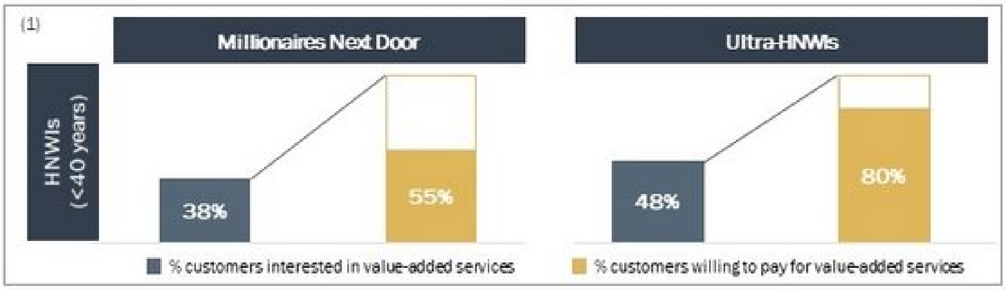
33% 2015 | 38% 2017 | 40% 2020

Households Citing Need for Investment Advice

+

Willingness to Pay

(1)



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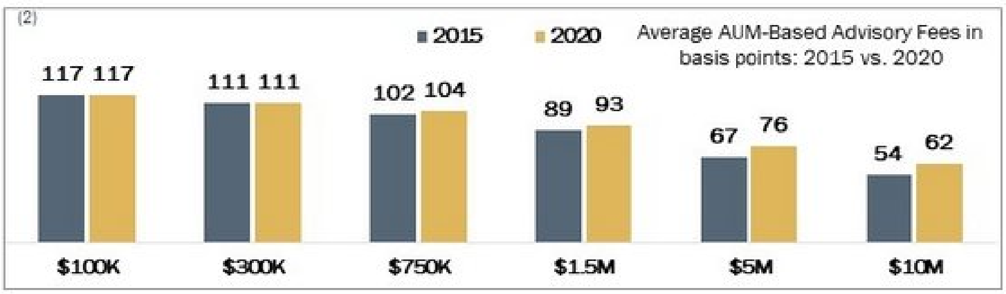
No Fee Pressure

(2)

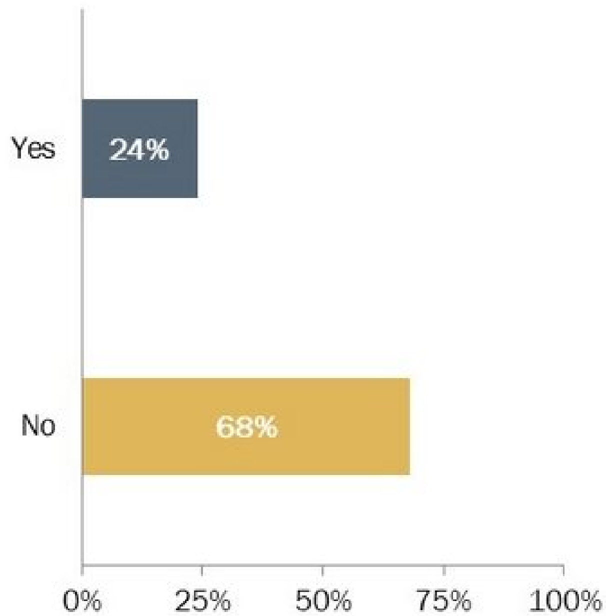


(1) Source: Capgemini Financial Services Analysis, 2020.
(2) Source: Cerulli U.S. Retail Investor Advice Relationships 2020, U.S. RIA Marketplace 2020. Envestnet State of The RIA Market, January 2021.

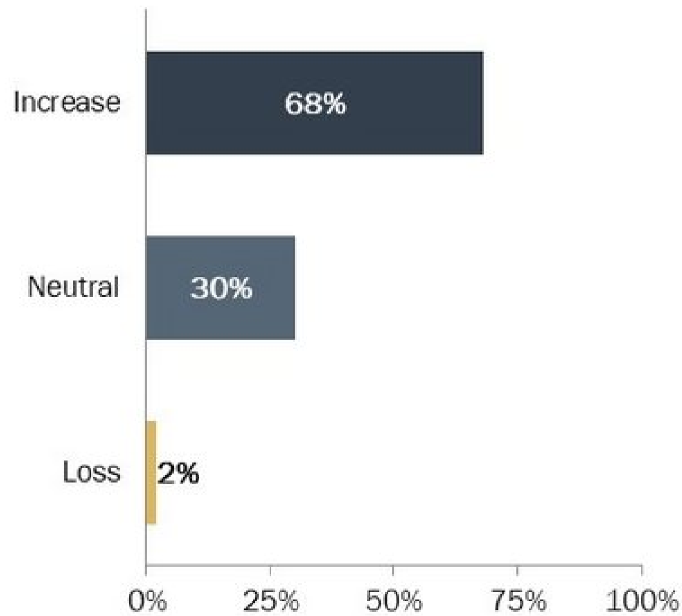
Feedback from our partner firms supports this thesis

Informal Survey of Partner Firm Principals - Fall 2021[1]

Have you made changes to your pricing in 2020 / 2021?



What has been the net impact of the re-pricing on revenues?



(1) Informal, non-scientific survey of Focus partner firm principals. Based on results from 172 voluntary responses. May not be indicative of all Focus partner firms.

4 How sustainable is your long-term growth?

But industry consolidation will require substantial capital

In the U.S. alone, the RIA industry will need ~$60 - $100B of capital to support needed consolidation over the next 5+ years

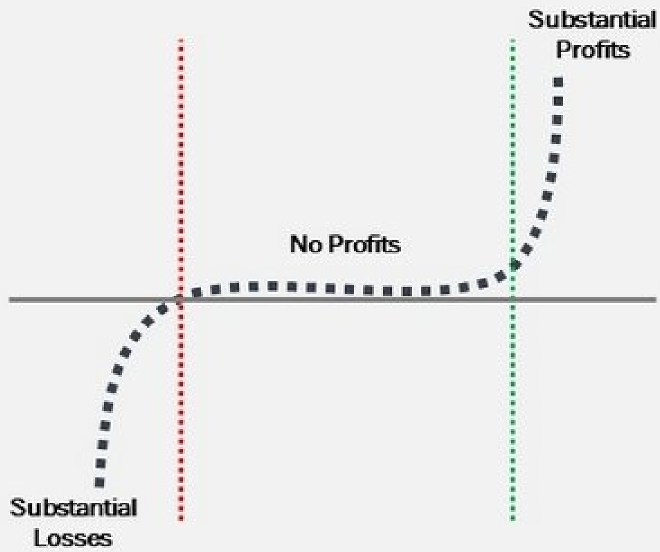
Source: Cerulli U.S. RIA Marketplace 2020.

How sustainable is your long-term growth?

Only a few winners will emerge

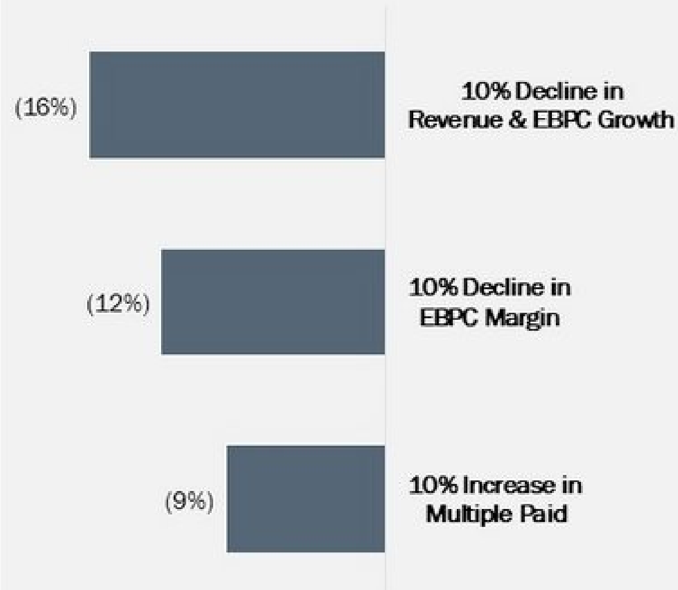
How we generate strong returns(1)

Power curve of economic profit



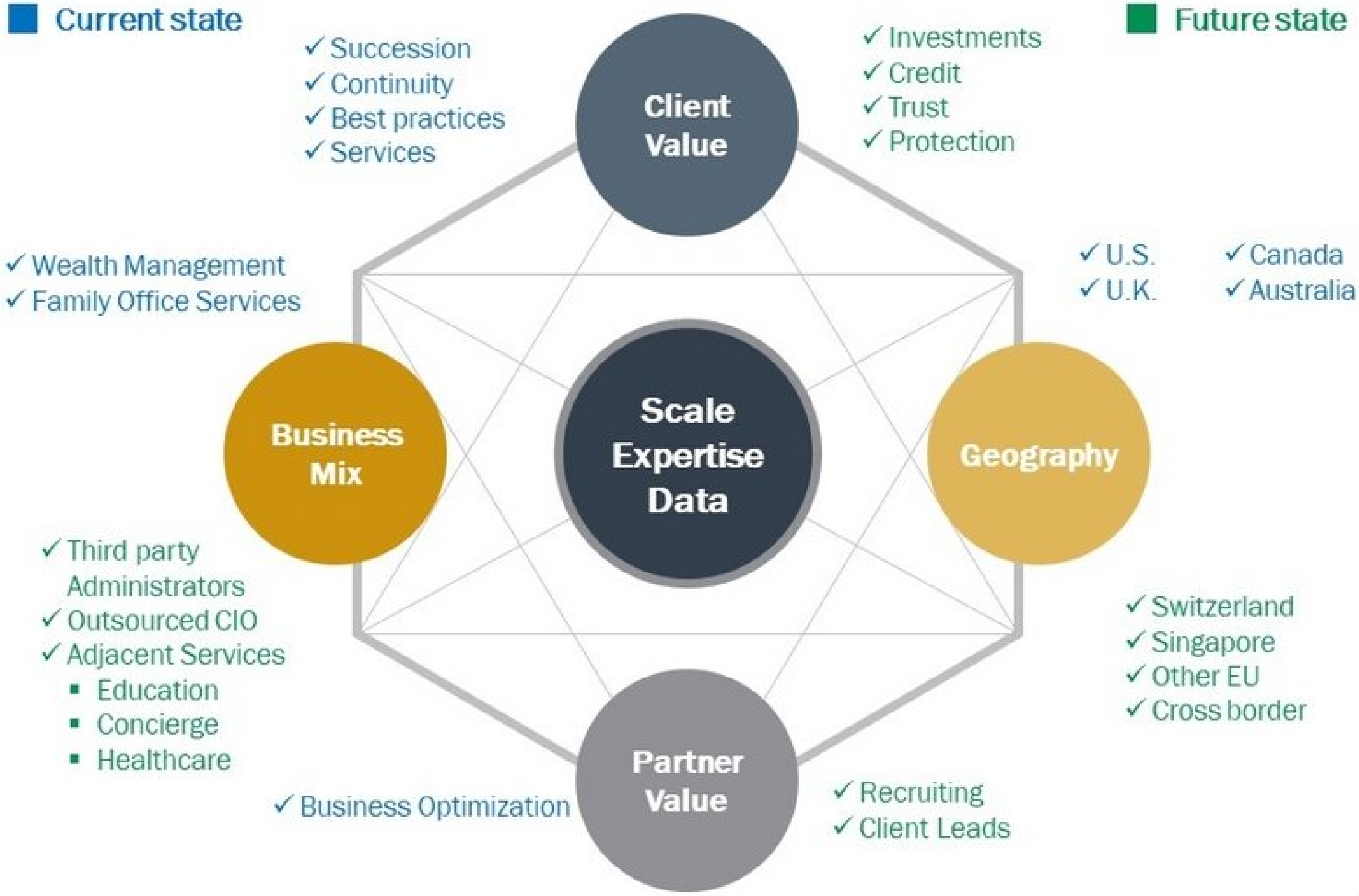
Illustrative impact of adverse scenarios

Illustrative impact on levered IRRs



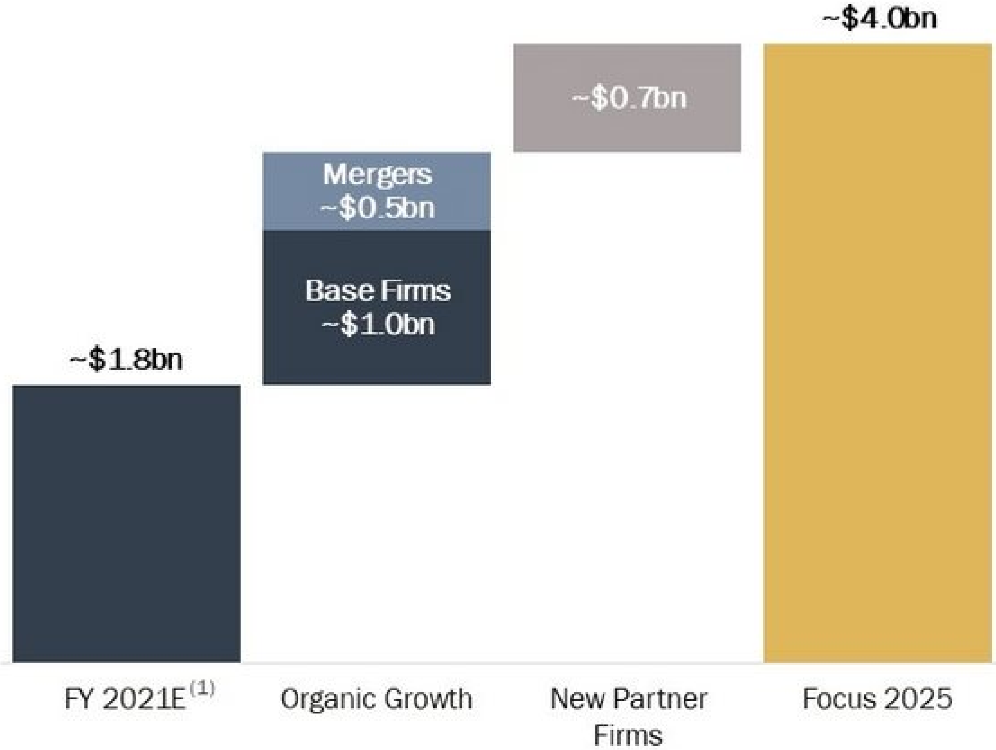
(1) Source: McKinsey & Co.

Our model positions us to win globally



Enabling Focus 2025

Estimated Components of Revenue Growth



FOCUS 2025

New Vision

~$4.0
billion revenues

~$1.1
billion Adjusted EBITDA[2]

~28%
Adjusted EBITDA Margin[3]

~125
partner firms

(1) Fiscal 2021 estimate is comprised of actual results for the 9 months ended September 30, 2021 plus the mid-point of the Q4 2021 guidance for revenues ($475 to $485 million).
(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) Adjusted EBITDA divided by revenue.


Financial Review &
Outlook
Jim Shanahan | Chief Financial Officer

Our bold new vision for 2025

Q3 LTM 2019	FOCUS 2025 November 2019 Investor Day	FOCUS 2025	Versus Original Vision:
Results:	Original Vision:	New Vision:	
~$1.1 billion revenues	~$3.5 billion revenues	~$4.0 billion revenues	+14%
~$241 million Adjusted EBITDA[1]	~$840 million Adjusted EBITDA[2]	~$1.1 billion Adjusted EBITDA[2]	+31%
~21% Adjusted EBITDA Margin[3]	~24% Adjusted EBITDA Margin[3]	~28% Adjusted EBITDA Margin[3]	+4 ppts
63 partner firms[4]	~100 partner firms	~125 partner firms	+25%

(1) Non-GAAP financial measure. See Appendix for reconciliations.
(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) Adjusted EBITDA divided by revenue.
(4) As of November 20, 2019.

Driven by four targets that create shareholder value

1. ~23% CAGR to achieve ~$4.0 billion in revenues
2. ~3% increase in Adjusted EBITDA[1] Margin[1,2] to ~28%
3. 20%+ Adjusted Net Income Excluding Tax Adjustments Per Share[3] CAGR
4. Remain within our 3.5x – 4.5x Net Leverage Ratio[4]

Revenue Growth

Operating Leverage & Earnings

Capital & Returns

(1) 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.

(2) Calculated as Adjusted EBITDA divided by revenues.

(3) Non-GAAP financial measure. We are not providing a quantitative reconciliation of the forward-looking estimate of Adjusted Net Income Excluding Tax Adjustments Per Share to its most directly comparable GAAP financial measure because such GAAP measure is difficult to reliably predict or estimate without unreasonable effort due to its dependency on future uncertainties, such as items noted under the heading "Disclosure – 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.

(4) 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).

The path to our bold new vision

1 Unpacking our new targets

2 Why our targets are achievable

3 A solid foundation that drives results

Significant progress since our 2019 Investor Day

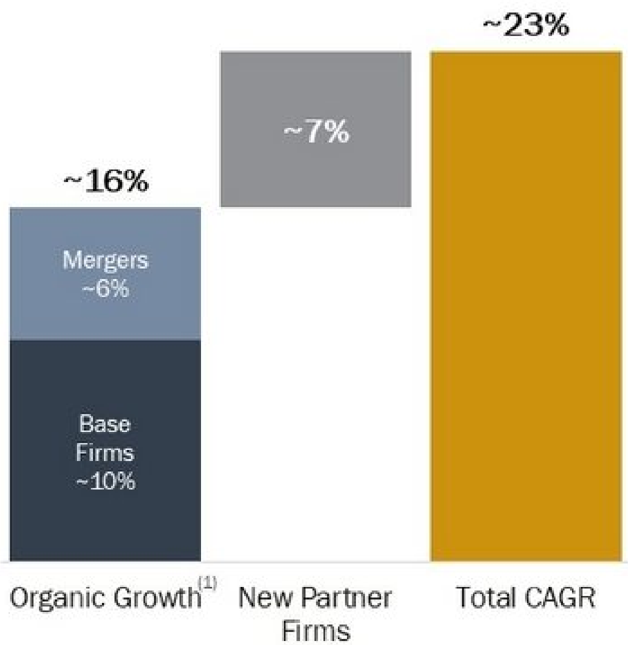
Stated Objectives 2019 Investor Day Targets	Tangible Results Two Year Progress
20% Revenue CAGR	**21.2%** Revenue CAGR[1]
+0.4% Average Annual Adjusted EBITDA Margin[2] Expansion	**+1.8%** Average Annual Adjusted EBITDA Margin[2] Expansion
3.5x - 4.5x Net Leverage Ratio[3]	**3.54x** Net Leverage Ratio[3,4]

(1) Q3 2019 LTM to Q3 2021 LTM CAGR.
(2) Adjusted EBITDA is a non-GAAP financial measure. See Appendix for reconciliations. Adjusted EBITDA margin is calculated as Adjusted EBITDA divided by revenues.
(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) As of September 30, 2021.

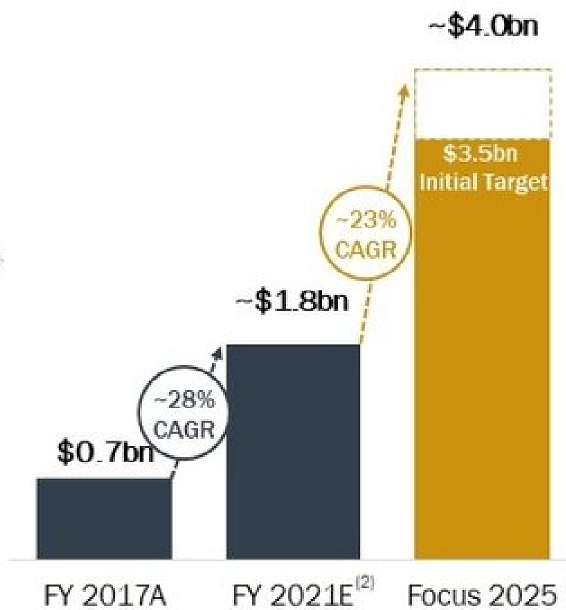
Unpacking our new targets

Supporting the ~$500 million increase in our revenue target

Estimated Components of Revenue CAGR



Estimated Focus 2025 Revenue Target



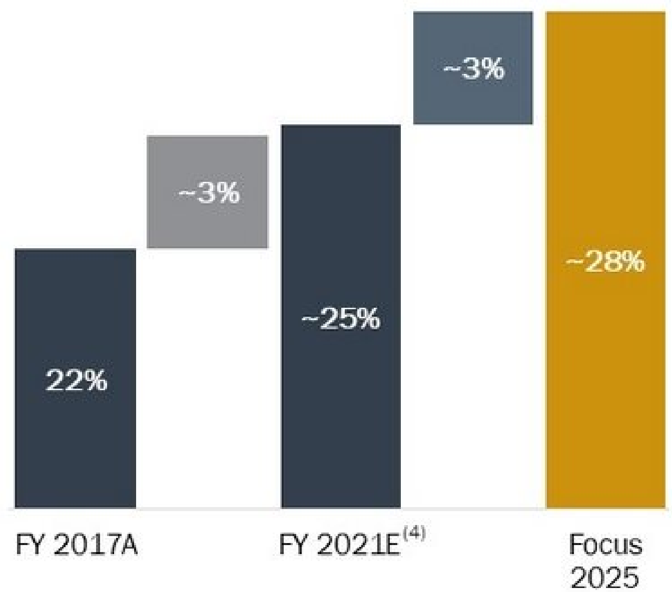
Average organic revenue[1] growth of 15.4% over the last 16 quarters

(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 such partner firms, including Connectus, and partner firms that have merged, that would be included in our consolidated statement of operations for both periods in the future.
(2) Fiscal 2021 estimate is comprised of actual results for the 9 months ended September 30, 2021 plus the mid-point of the Q4 2021 guidance for revenues ($475 to $485 million).

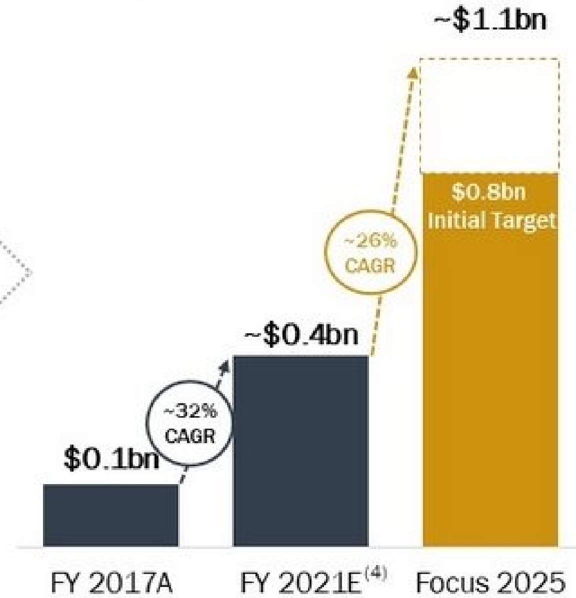
1 Unpacking our new targets

And the over $250 million increase in our Adjusted EBITDA[1] target

Estimated Adjusted EBITDA[1] Margin[2,3]



Estimated Focus 2025 Adjusted EBITDA[1,3] Target



✓ Operating leverage ✓ Percentage of acquired earnings ✓ Synergies & value-added services

(1) Non-GAAP financial measure. See Appendix for reconciliations.
(2) Calculated as Adjusted EBITDA divided by revenues.
(3) Non-GAAP financial measure. We are not providing a quantitative reconciliation of the forward-looking estimate of Adjusted EBITDA or Adjusted EBITDA margin to its most directly comparable GAAP financial measure because such GAAP measure is difficult to reliably predict or estimate without unreasonable effort due to its dependency on future uncertainties, such as items noted under the heading "Disclosure – 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.
(4) Fiscal 2021 estimate is comprised of actual results for the 9 months ended September 30, 2021 plus the mid-point of the Q4 2021 guidance for revenues ($475 to $485 million) and Adjusted EBITDA margin guidance of ~25%.

2 Why our targets are achievable

We have a diverse partnership of leading firms with scale

>50% of our partner firms have over $10m in annual run rate revenues(1)

Number of Partner Firms(2)

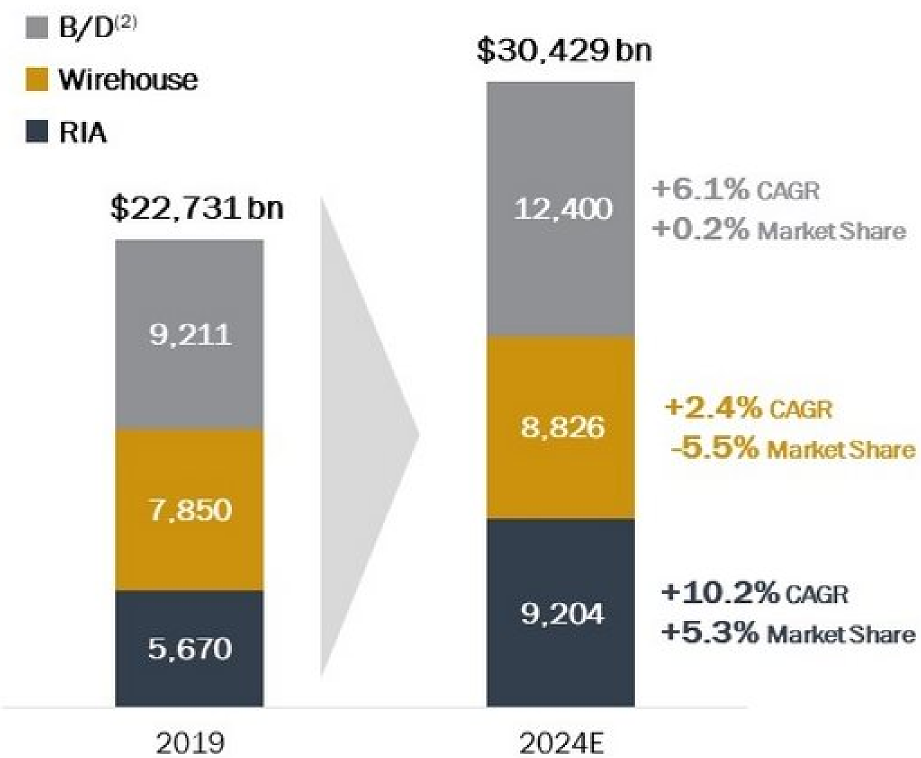
10 partner firms named to Barron's 2021 top 100 list of America's best RIA firms

(1) Represents Q4 2021 estimated annualized revenues.
(2) As of December 1, 2021. Includes signed and pending close transactions.
(3) Represents primary type of business.

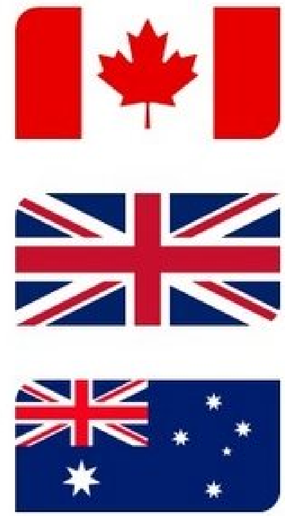
Why our targets are achievable

We operate in a large, high-growth and global industry

US Opportunity[1]



Plus multi-trillion[3] opportunity in key international markets



(1) Sources: Cerulli US Advisor Metrics 2020; Envestnet Industry Trends (March 2021).
(2) Broker Dealers include National and regional B/D, IBD, Insurance B/D and Retail bank B/D.
(3) Sources: Advocis – The Financial Advisors Association of Canada; Canadian Investment Funds Industry: Recent Developments and Outlook (2019). Includes private wealth, full-service brokerage and financial advisor assets; IBIS World Report on UK Financial Advice, July 2020; PIMFA, January 2021; 2019 Australian Financial Advice Landscape.

Note: Total may not add up due to rounding.

2 Why our targets are achievable

We have capital flexibility and a strong credit profile

Credit Overview

	First Lien Term Loan Tranche A[1]	First Lien Term Loan Tranche B[1]	Revolver
Amount	$1,615.1 million	$648.4 million (plus $150 million 6 month delayed draw we plan to draw late December 2021)	$0 million drawn ($650 million facility size)
Maturity	July 2024	June 2028	July 2023
Margin	$765.1 million at L+200 bps / $850 million hedged at ~2.62%	L+250 bps	L+175 bps on drawn and 50 bps undrawn between 3.50x and 4.00x
LIBOR Floor	0.00%	0.50%	0.00%
Amortization	1.00% / $16.7 million per annum	1.00% / $8.0 million per annum when fully drawn	n/a
Net Leverage Ratio[2] Covenant	6.25x		

Q3 2021 LTM Cash Flow Available For Capital Allocation[3] was $300 million

(1) As of September 30, 2021.
(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).
(3) Non-GAAP financial measure. See Appendix for reconciliations.

3 A solid foundation that drives results

Our financial model is well designed

Revenue

- 95%+[1] fee based and recurring revenues
- 22%[1] non-market correlated revenues
- Diversified revenues across 82[2] partner firms in 4 countries

Expenses

- Variable management fee expense tied to profitability
- Strong cost control managed by entrepreneurs
- Capex lite model

Cash Flows

- Strong and increasing operating leverage
- $2.0bn+[3] unamortized gross tax shield[4]
- Q3 21 LTM Cash Flow Available For Capital Allocation[5] was ~$300m

Legal

- Non-compete and non-solicits
- Earnings preference
- Generally, buy 40-60% of earnings before partner compensation of new partner firms

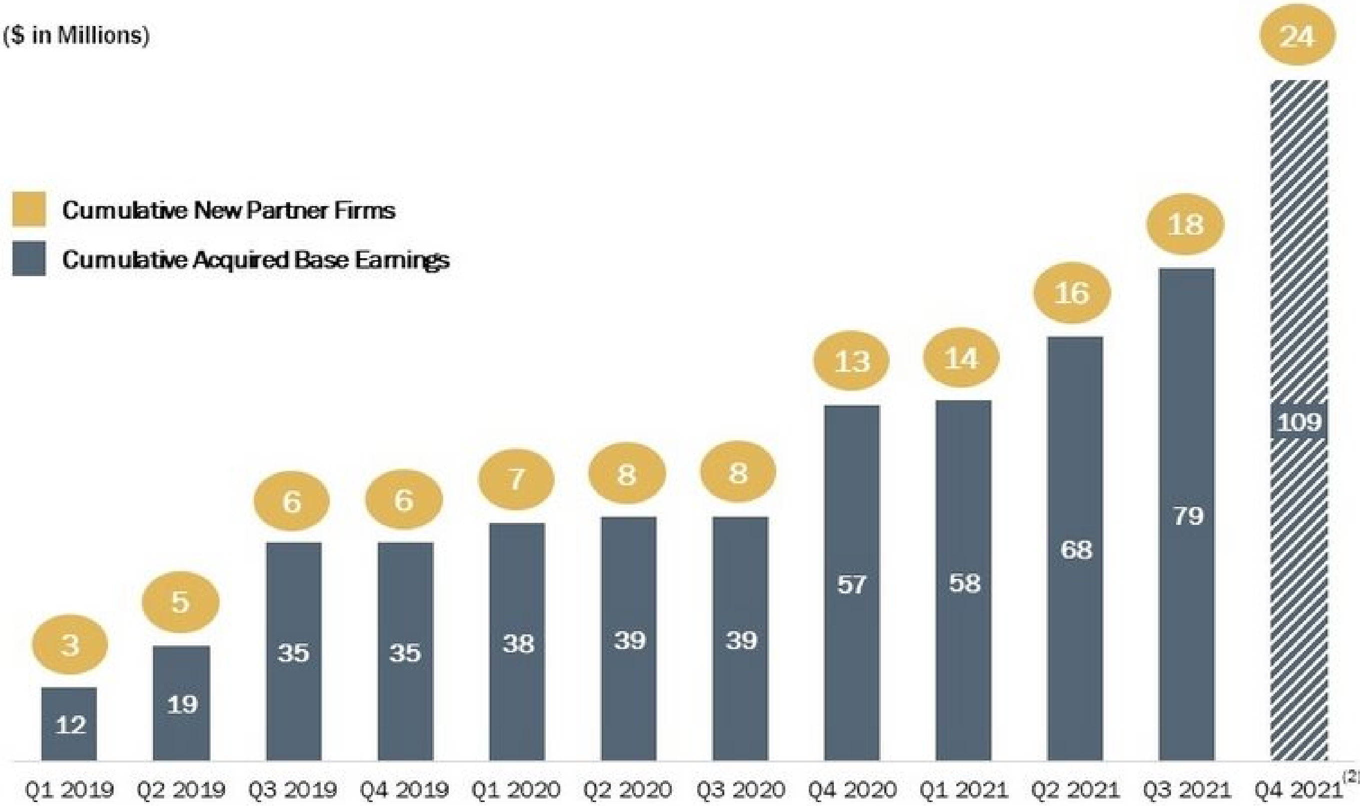
Committed to Net Leverage Ratio[6] Target of 3.5x – 4.5x

(1) For the 3 months ended September 30, 2021.
(2) As of December 1, 2021. Includes signed and pending close transactions.
(3) As of September 30, 2021.
(4) 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).
(5) Non-GAAP financial measure. See Appendix for reconciliations.
(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).

3 A solid foundation that drives results

Generating substantial Acquired Base Earnings[1]

Cumulative New Partner Firms and Acquired Base Earnings[1] Since Q1 2019



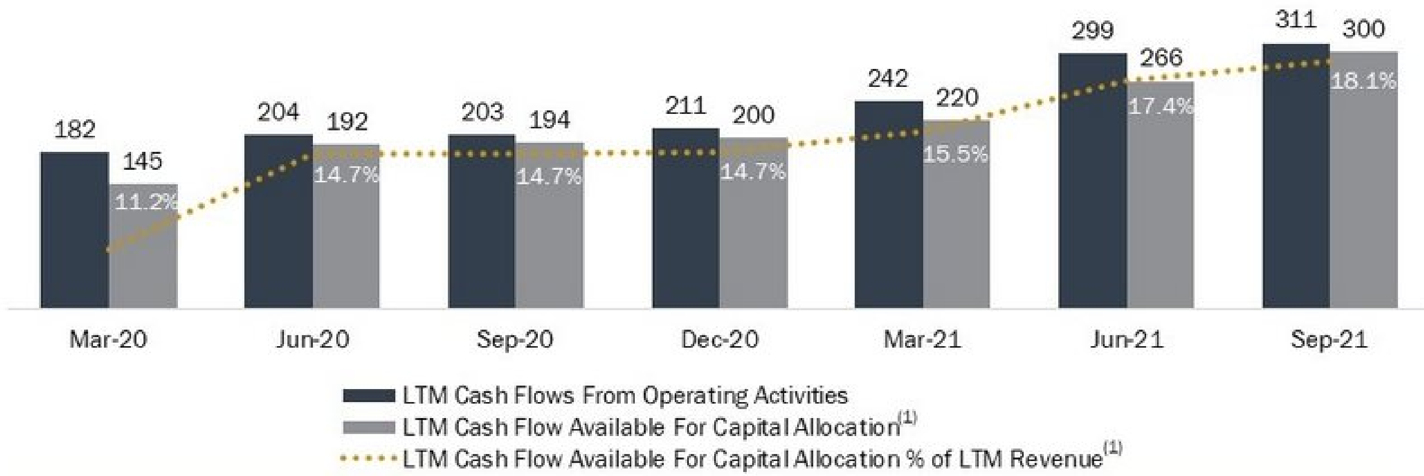
(1) The terms of our management agreements entitle the management companies to management fees typically consisting of all future EBPC of the acquired wealth management firm in excess of Base Earnings up to Target Earnings, plus a percentage of any EBPC in excess of Target Earnings. Acquired Base Earnings is equal to our 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.

(2) Q4 2021 Estimated Acquired Base Earnings of $30.3 million as of December 1, 2021, including signed and pending close transactions.

3 A solid foundation that drives results

Strong and increasing cash flow generation supported by a capex lite model

Strong Cash Flows ($ in millions)



Capex Lite Model (LTM Capex in $ millions and as % of LTM revenue)

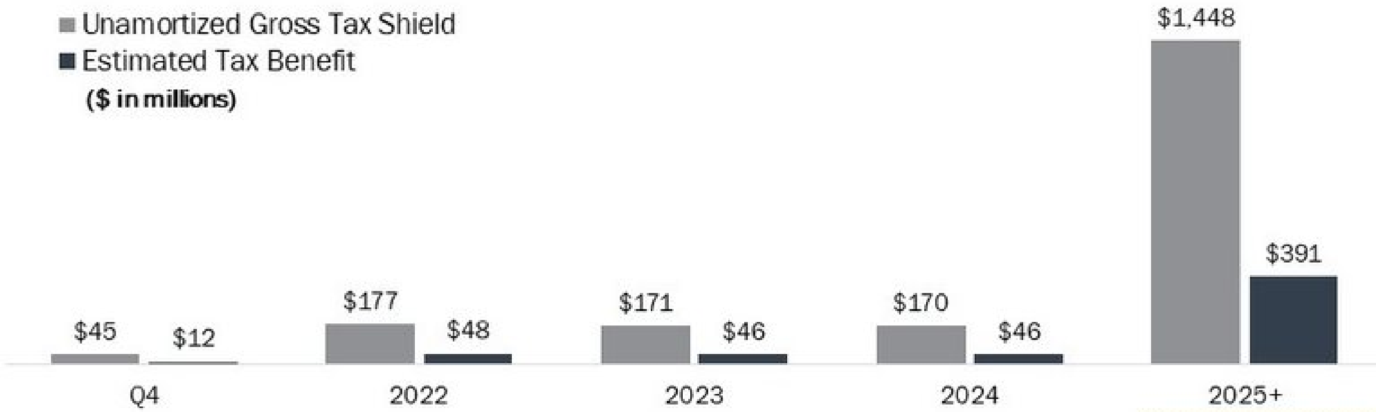
(1) Non-GAAP financial measure. See Appendix for reconciliations.

A solid foundation that drives results

Our tax-efficient structure enhances our cash flow growth

Focus generally acquires intangible assets which generate tax shields[1]

**Incremental acquisitions & earnout payments will drive new tax shields in the future.
Any increase in corporate tax rates will also increase tax benefits.**



~$2 billion cumulative unamortized gross tax shield[1,2]

~$543 million economic benefit[3]

~$350 million net present value[4]

~$4.28 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 September 30, 2021.
(3) Based on 27% pro forma tax rate.
(4) Based on assumed 8% discount rate.
(5) Based on Q3 2021 Adjusted Shares Outstanding. See Appendix for reconciliation of number of shares.

We implemented quarterly guidance at Covid-19 onset

- Total revenue
- Organic revenue growth(1)
- Revenue and earnings contribution of new partner firms

- Adjusted EBITDA margin(2)
- Net Leverage Ratio(3)
- Cash earnout payments

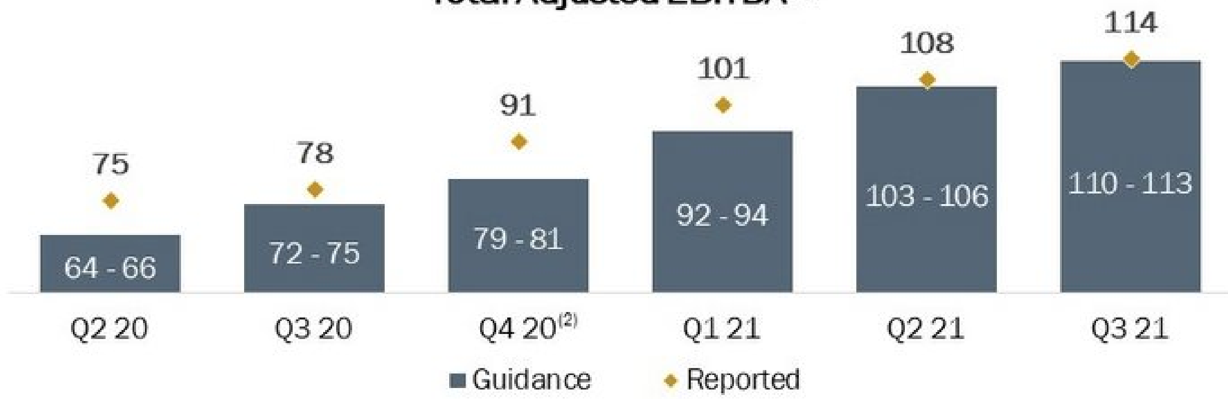
(1) Organic revenue growth represents the period-over-period growth in revenues related to partner firms, including growth related to acquisitions of wealth management practices and customer relationships by our partner firms, including Connectus, and partner firms that have merged, that for the entire 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) Adjusted EBITDA is a non-GAAP financial measure. See Appendix for reconciliations. Adjusted EBITDA margin is calculated as Adjusted EBITDA divided by revenues.
(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).

We consistently delivered despite extreme market volatility

($ in Millions)

Total Revenue

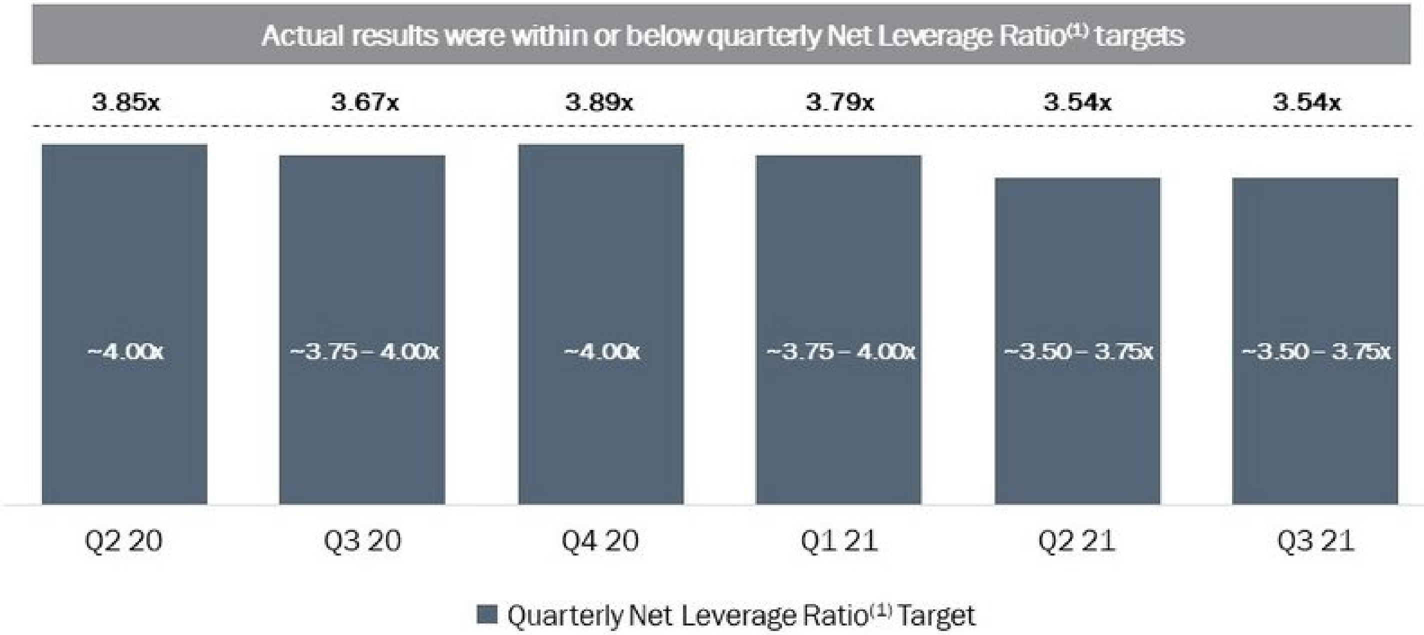
Total Adjusted EBITDA(1)



(1) Non-GAAP financial measure. See Appendix for reconciliations.
(2) Q4 2020 was positively impacted by non-recurring and incentive type revenues.

And we stayed within or below our net leverage targets

Net Leverage Ratio[1]



Supports Long Term Net Leverage Ratio[1] Target of 3.5x – 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).

Our financial model demonstrated stability and resiliency

Covid-19 Volatility

	Q1 2020	Q2 2020	Q3 2020	Q4 2020
Revenue	$337.1m	$313.1m	$331.5m	$379.7m
Adjusted EBITDA[1]	$78.0m	$74.8m	$78.3m	$90.7m
Adjusted EBITDA Margin[2]	23.1%	23.9%	23.6%	23.9%
Net Leverage Ratio[3]	4.00x	3.85x	3.67x	3.89x

- ✓ Stability of fee-based and recurring revenues
- ✓ Value of preference and variable expense base
- ✓ Operating leverage
- ✓ Ability to quickly de-lever

Business model supports Net Leverage Ratio[3] target of 3.5x – 4.5x

(1) Non-GAAP financial measure. See Appendix for reconciliations.
(2) Calculated as Adjusted EBITDA divided by revenues.
(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).

We are well positioned to deliver significant shareholder value

Solid foundation and stress-tested model → Bold but achievable growth → Significant shareholder value


The Global M&A Opportunity
Rajini Kodialam | Co-Founder & Chief Operating Officer

Our bold new vision for 2025

Q3 LTM 2019	FOCUS 2025 November 2019 Investor Day	FOCUS 2025	Versus Original Vision:
Results:	Original Vision:	New Vision:	
~$1.1 billion revenues	~$3.5 billion revenues	~$4.0 billion revenues	+14%
~$241 million Adjusted EBITDA[1]	~$840 million Adjusted EBITDA[2]	~$1.1 billion Adjusted EBITDA[2]	+31%
~21% Adjusted EBITDA Margin[3]	~24% Adjusted EBITDA Margin[3]	~28% Adjusted EBITDA Margin[3]	+4 ppts
63 partner firms[4]	~100 partner firms	~125 partner firms	+25%

(1) Non-GAAP financial measure. See Appendix for reconciliations.
(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) Adjusted EBITDA divided by revenue.
(4) As of November 20, 2019.

The staying power of programmatic M&A

1 Accelerating deal velocity

2 A differentiated model

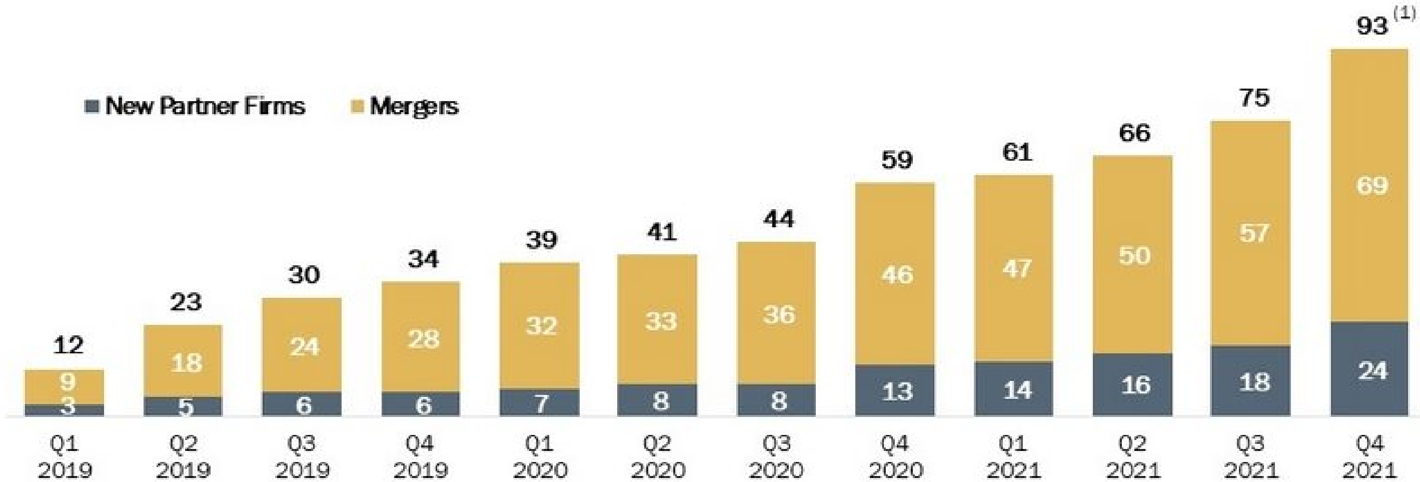
3 Sustainable M&A momentum

4 Achieving our new 2025 vision

1 Accelerating deal velocity

Deal velocity is accelerating

Cumulative M&A Transactions Since 2019



Transaction Mix[1]

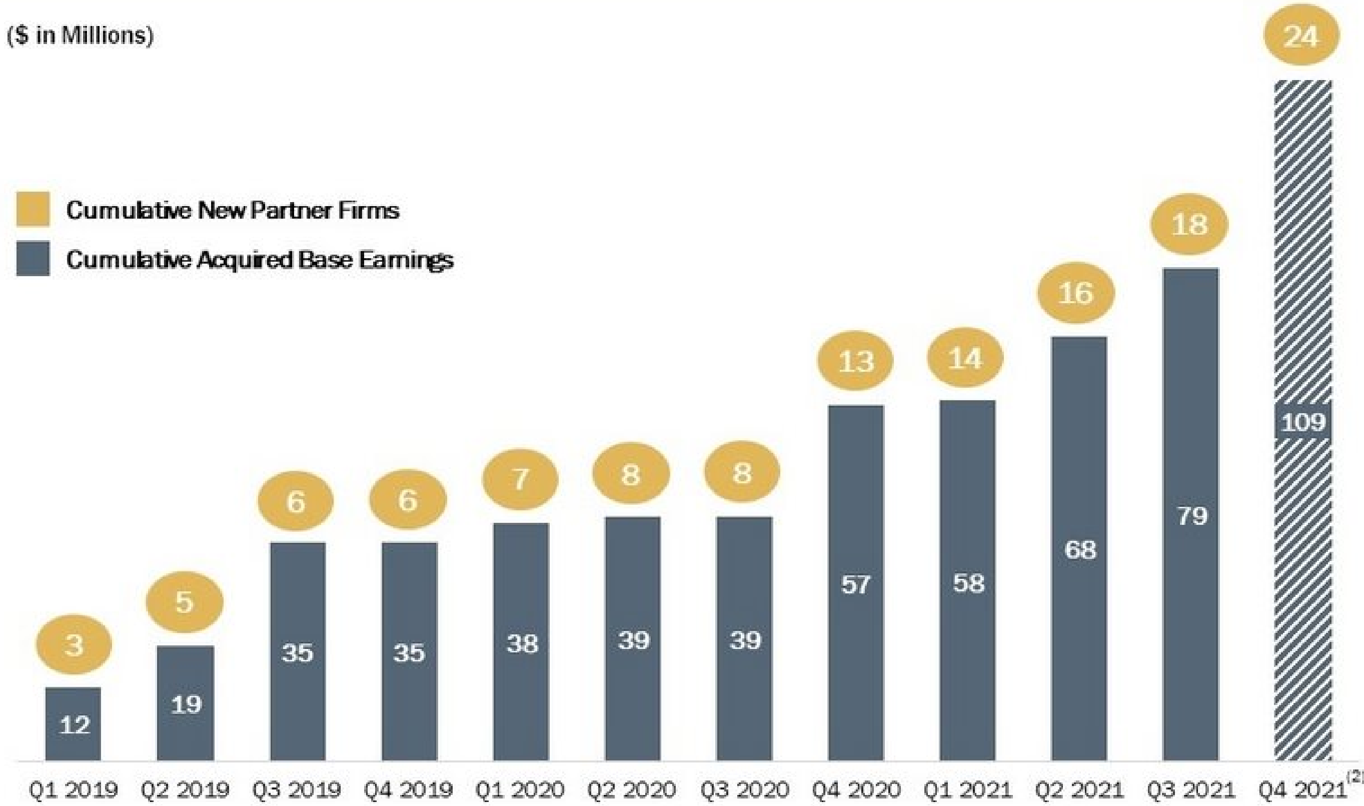
New Partner Firms		Mergers for Partner Firms		Non-U.S. RIAs	
11		23[2]		8	
2021 YTD		2021 YTD		2021 YTD	
6	11	15	28	3	8
Average 2013-2020	Highest in any year	Average 2013-2020	Highest in any year	Average 2013-2020	Highest in any year

(1) Includes signed and pending close transactions as of December 1, 2021.
(2) Includes mergers for Focus partner firm Connectus Wealth Advisers.

1 Accelerating deal velocity

Generating substantial Acquired Base Earnings[1]

Cumulative New Partner Firms and Acquired Base Earnings[1] Since Q1 2019



(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 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.

(2) Q4 2021 Estimated Acquired Base Earnings of $30.3 million as of December 1, 2021, including signed and pending close transactions.

A diverse mix of transactions

Alliance Benefit Group Of Michigan • Alley Company • Alpern Wealth Management • Altman, Greenfield & Selvaggi • Ancora • Anthony Smith Advisors • ARS Wealth Advisors • Aspiri Financial Services • Aurora Financial Advisors • Badgley Phelps Wealth Managers • Baldwin & Associates • Berg • Brady/Yipp • Brede • Bullard, McLeod & Associates • Capital Advisors • Cardinal Point • Carolina Capital Consulting • Catamount Management Group • Collins Investment Group • Confluence Wealth Management • CornerStone Partners • CRM Management • Dan Goldie Financial Services • David Weise & Associates • Deaton • Decker Wealth Management • Derby & Company • Escala Partners • Fairway Wealth Management • Foster Dykema Cabot • Gavin Group • George Ferizis Group • Glass Malek • GreenCourse • Griffon Financial Planning • Harrison McCarthy • Harvest Capital Management • Hill Investment Group • Hines & Warner Wealth Management • Horan Capital Management • HORNE Wealth Advisors • Howard Capital Management • Insero Wealth Strategies • Integer Wealth Advisors Group • InterOcean • Investment Counsel • Collings • Kavar Capital Partners • Lake Mary Wealth Management • Legacy Wealth Partners • Link Financial Services • Lodestar Investment Counsel • MacGuire, Cheswick & Tuttle • Matheys Lane Capital Management • Massingale • McAdams • MEDIQ Financial Services • Misso Wealth Management • Mosaic Family Wealth • New England Investment & Retirement Group • Neuman + Associates • New Providence Asset Management • Nexus Investment Management • Northcoast • Northern Capital Management • Nova Wealth Management Group • Oak Asset Management • Pitt • Prairie Capital Management • Prime Quadrant • RNP Advisory Services • Rollins Financial • Roof Advisory Group • Seasons of Advice • Siena Investments • Skeet Kaye Hopkins • Smiley • Sonora Investment Management • Soundview Wealth Advisors • Steinberg Global Asset Management • Stellar Capital Management • Stevens First Principles Inv Advisors • The Planned Approach • TMD & Associates • Trident Financial Planning • Ullmann Wealth Partners • Waterson Financial Planning • Weatherstone Capital Management • Wechter Feldman Wealth Management • Westwood • WG&S, LLP • Williams, Jones & Associates

Transactions Since Q1 2019[1,2]

U.S.	Canada	Australia	U.K.
77	4	9	3

Partners	Mergers	Connectus
24	57	12

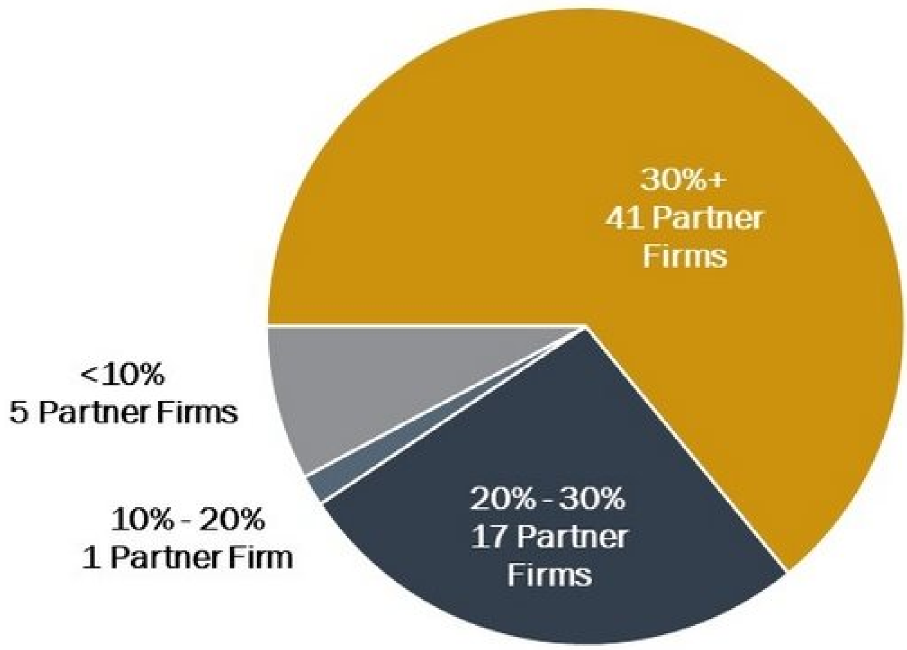
U.S. RIA	Non-U.S. RIA
71	22

(1) Includes 2021 announced and pending close transactions through December 1, 2021.
(2) Inclusive of customer list acquisitions.

Accelerating deal velocity

Our portfolio returns are compelling

Partner Firm Levered IRRs[1]



Weighted Average Levered IRR
>25%

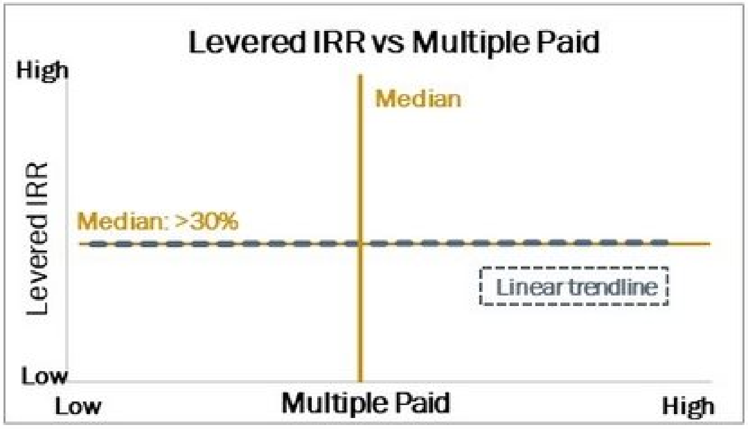
Median Levered IRR
>30%

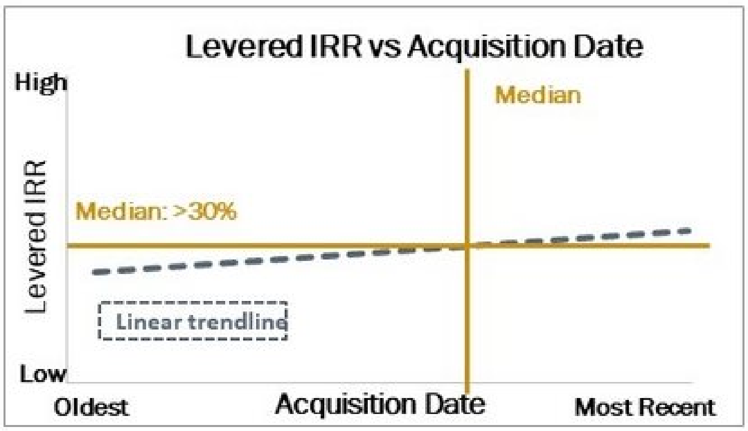
>90% of Firms Generate Levered IRRs in Excess of 20%

(1) Based on the 84 firms that were with us for at least 2 years as of September 30, 2021. Reflects Focus capital structure as of September 30, 2021: 2.5% pre-tax cost of debt and 27.0% tax rate offset by tax intangibles generated by partner firms since joining Focus. Capital deployed based on cash and stock consideration since inception. Terminal value based on each partner firm's respective weighted average acquired Adjusted EBITDA multiple, inclusive of mergers, multiplied by Q3 2021 LTM Adjusted EBITDA and Q3 2021 run-rate Adjusted EBITDA for firms that completed an M&A transaction within the past 12 months.

Accelerating deal velocity

Programmatic M&A is a core competency





Pricing efficiency

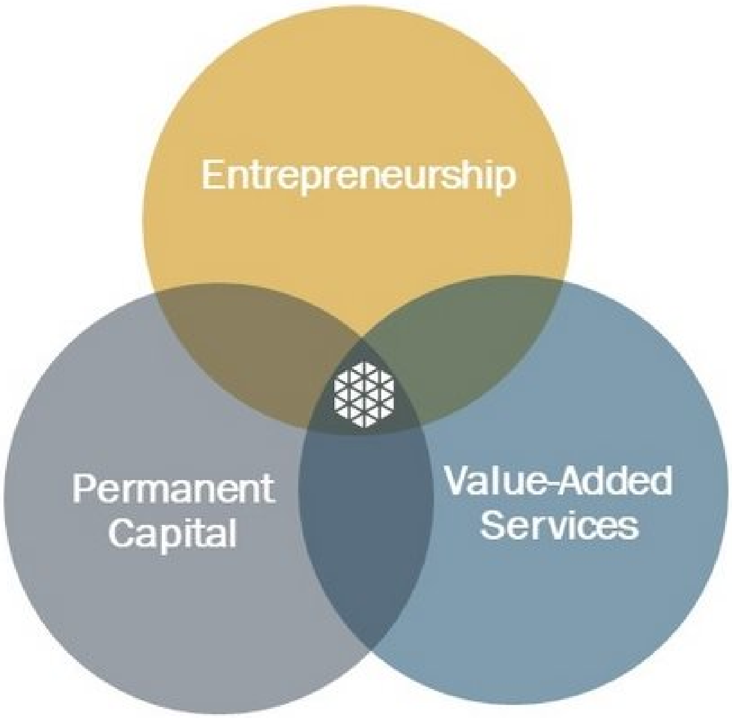
Increasing returns over time

A differentiated model

Analyzing our competitive dynamics

Source: Porter's Five Forces developed by Michael Porter, Harvard Business School.

A unique value proposition for the discerning target



Who is our target?
Client-centric, trusted, unconflicted advisors
Value boutique business models and legacy
Want to ensure career pathing for "next-gen" talent
Place a premium on our value-added services

"By entrepreneurs. For entrepreneurs."

A relationship-based approach

Our Team

45+
Business Development and Relationship Management

10
Legal and Regulatory

8
Technology and Operations

25+
Financial Diligence

Our Outreach(1)

48,000+
outbound contacts per year

1,000+
meetings per year

34
YTD Transactions(2)

(1) Methodology: Uses internal PractiFi information from Q2 & Q3 2021. "Outbound Contact" defined as recorded texts, emails & voicemails. "Meetings" only includes documented meetings and video call.
(2) Includes 2021 announced and pending close transactions through December 1, 2021.

Multiple models to address the needs of founders & next gen

1 **DIRECT PARTNER FIRM**

Firms led by entrepreneurs who continue to manage their business autonomously while having access to Focus' growth capital and value-added services.

2 **MERGERS ON BEHALF OF PARTNER FIRMS**

Firms seeking to merge with a larger firm for succession planning, expanded capabilities and operational support.

3 **CONNECTUS**

Firms who want to retain their boutique client management and culture while gaining the operational efficiencies of a shared services platform.

A consistent and rigorous due diligence process

A broad array of resources and expertise

BUSINESS SOLUTIONS

Accelerates growth through the extension of resources, capital and scale

- Mergers & Acquisitions
- Business Strategy & Leadership Planning
- Marketing & Organic Growth
- Operations, Technology & Cyber Security
- Business Intelligence
- Talent Management & Recruiting
- Finance, Legal & Regulatory
- Best Practices & Knowledge Sharing

CLIENT SOLUTIONS

Enhances client outcomes by improving our partners' service offerings

- Cash & Credit Solutions
- Trust Solutions
- Portfolio & Asset Optimization
- Valuation Services
- Insurance Solutions
- Family Office & Concierge Services

A long track record of success

Partner Firms

	2006	2009	2012	2015	2018	2021(1)
Partner Firms	6	18	24	36	58	82
Cumulative Transactions(1)	6	25	42	86	154	247

Cumulative Transactions(1)

(1) As of December 1, 2021. Includes signed and pending close transactions.

Creates true differentiation

FOCUS

- ✓ Clients
- ✓ Partners
- ✓ Shareholders

Banks & Asset Managers	No independence Poor integration Cross-selling pressure
Private Equity	Temporary capital No value-add No independence
Large RIAs Roll-Ups	Limited capital No independence
Integrated Acquirors & Platforms	Ever-changing models Service providers
Internal Sale	Limited liquidity Long time frame

Winning a disproportionate share of industry M&A

13.7%

3 Year Avg. Share of Acquired US RIA Deals(1)

14.6%

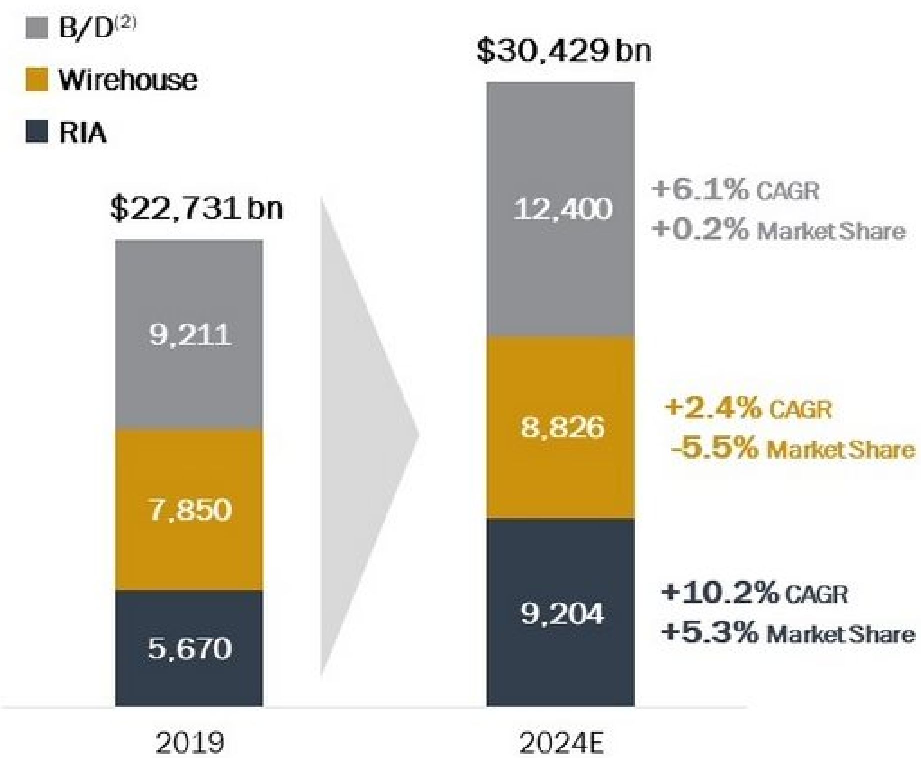
2021 YTD Share of Acquired US RIA Deals(2)

(1) Fidelity 2019-2021 Wealth Management M&A Transaction Report. Average of 2019, 2020 and 2021YTD through October.
(2) As of September 30, 2021.

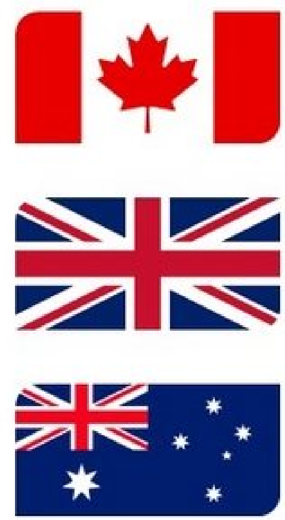
Sustainable M&A momentum

Large, high-growth addressable market

US Opportunity[1]



Plus multi-trillion[3] opportunity in key international markets

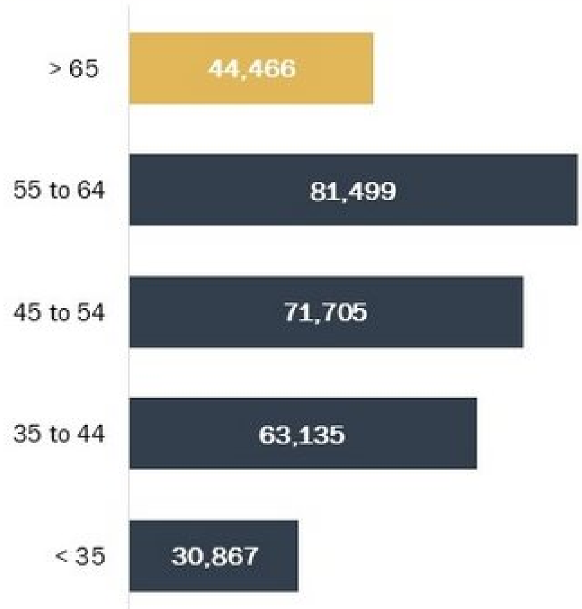


(1) Sources: Cerulli US Advisor Metrics 2020; Envestnet Industry Trends (March 2021).
(2) Broker Dealers include National and regional B/D, IBD, Insurance B/D and Retail bank B/D.
(3) Sources: Advocis – The Financial Advisors Association of Canada; Canadian Investment Funds Industry: Recent Developments and Outlook (2019). Includes private wealth, full-service brokerage and financial advisor assets; IBIS World Report on UK Financial Advice, July 2020; PIMFA, January 2021; 2019 Australian Financial Advice Landscape.

Note: Total may not add up due to rounding.

Advisor demographics are driving industry consolidation

U.S. Advisor Population by Age(1)



Client Assets by U.S. Advisor Age(1)

($ Billions)

There are almost **45,000 advisors aged 65+** managing over **$3 trillion** in client assets

(1) Envestnet Industry Trends ((Match 2021). Advisor population and client assets per age bracket based on 2019 total advisor population and total client assets.

A competitive moat in a high-growth industry

- Conducive industry dynamics
- Established track record
- Unique value proposition
- Relationship-driven approach
- Programmatic M&A process
- Industry-leading resources and expertise
- Diverse, global partnership

4 Achieving our 2025 new vision

Enabling Focus 2025

Estimated Components of Revenue Growth

FOCUS 2025

New Vision

~$4.0 billion revenues

~$1.1 billion Adjusted EBITDA[2]

~28% Adjusted EBITDA Margin[3]

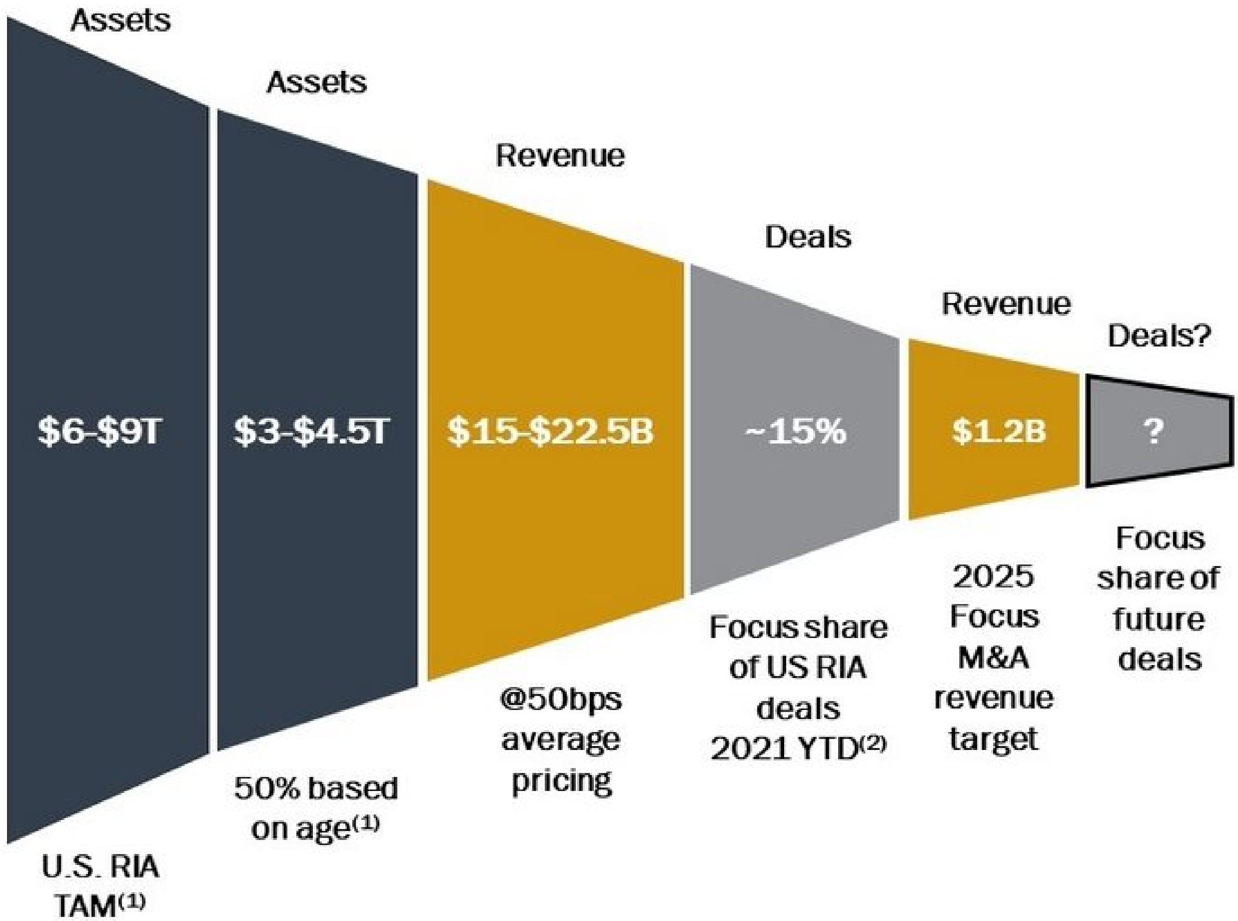
~125 partner firms

(1) Fiscal 2021 estimate is comprised of actual results for the 9 months ended September 30, 2021 plus the mid-point of the Q4 2021 guidance for revenues ($475 to $485 million).

(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.

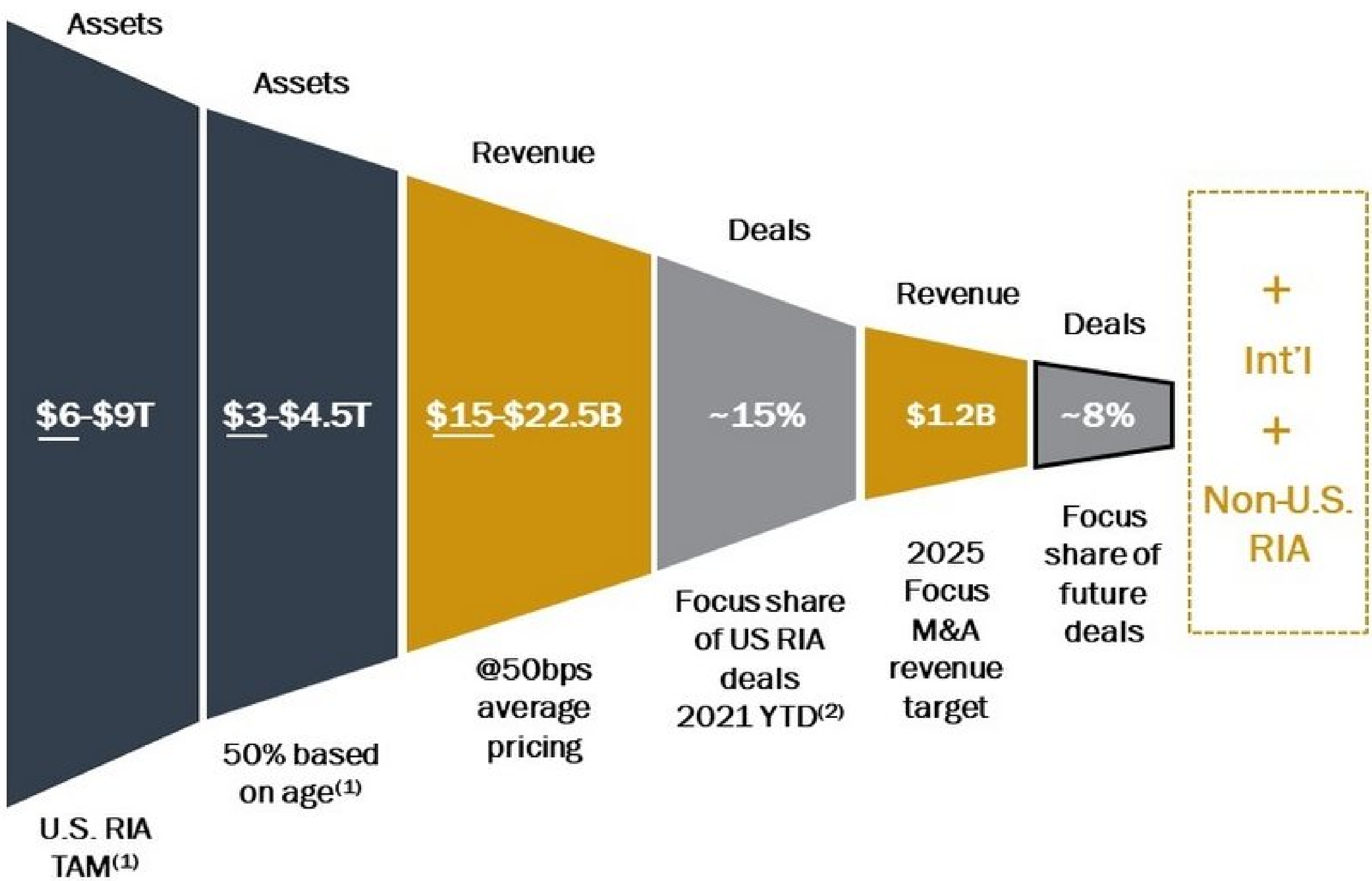
(3) Adjusted EBITDA divided by revenue.

How do we get there?



(1) Sources: Cerulli US Advisor Metrics 2020; Envestnet Industry Trends (March 2021).
(2) As of October 2021.

How do we get there?



(1) Sources: Cerulli US Advisor Metrics 2020; Envestnet Industry Trends (March 2021).
(2) As of October 2021.


Value-added Services: A Growth Accelerator
Lenny Chang | Co-Founder, Senior Managing Director & Head of M&A

Our bold new vision for 2025

Q3 LTM 2019	FOCUS 2025 November 2019 Investor Day	FOCUS 2025	Versus Original Vision:
Results:	Original Vision:	New Vision:	
~$1.1 billion revenues	~$3.5 billion revenues	~$4.0 billion revenues	+14%
~$241 million Adjusted EBITDA(1)	~$840 million Adjusted EBITDA(2)	~$1.1 billion Adjusted EBITDA(2)	+31%
~21% Adjusted EBITDA Margin(3)	~24% Adjusted EBITDA Margin(3)	~28% Adjusted EBITDA Margin(3)	+4 ppts
63 partner firms(4)	~100 partner firms	~125 partner firms	+25%

(1) Non-GAAP financial measure. See Appendix for reconciliations.
(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) Adjusted EBITDA divided by revenue.
(4) As of November 20, 2019.

Driving growth through differentiated value-added services

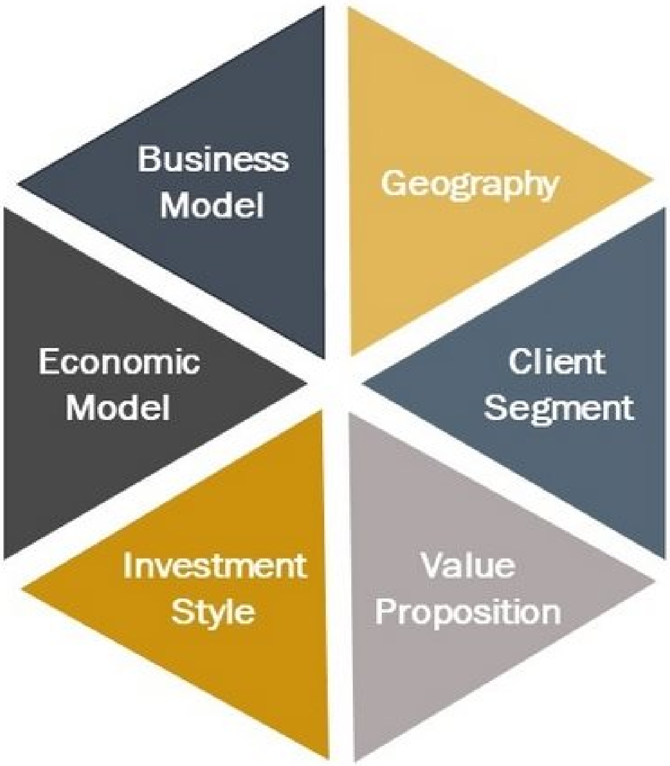
We have a partnership at scale…

(1) Regulatory assets under management or "RAUM" refers to the RAUM reported in the Form ADVs filed with the SEC by our partner firms. RAUM data does not include client assets managed or advised by non-SEC registered firms, including international firms. RAUM does not include all client assets that our partner firms charge fees on and does include assets that our partner firms do not charge fees on. Furthermore, some of our partner firms also charge flat fees, an hourly rate or a combination of fees, which are not based on the amount of the clients' assets, and charge a number of fees for services unrelated to client assets. RAUM data is only as of the dates stated in the respective Form ADVs and may be of a different date than a year-end date. There may have been material changes in our partner firms' RAUM since such dates. "Client assets" as of November 1, 2021 includes RAUM of our partner firms plus additional assets overseen by our partner firms that do not meet the SEC's RAUM definition as well as assets overseen by non-SEC registered firms, including international firms.

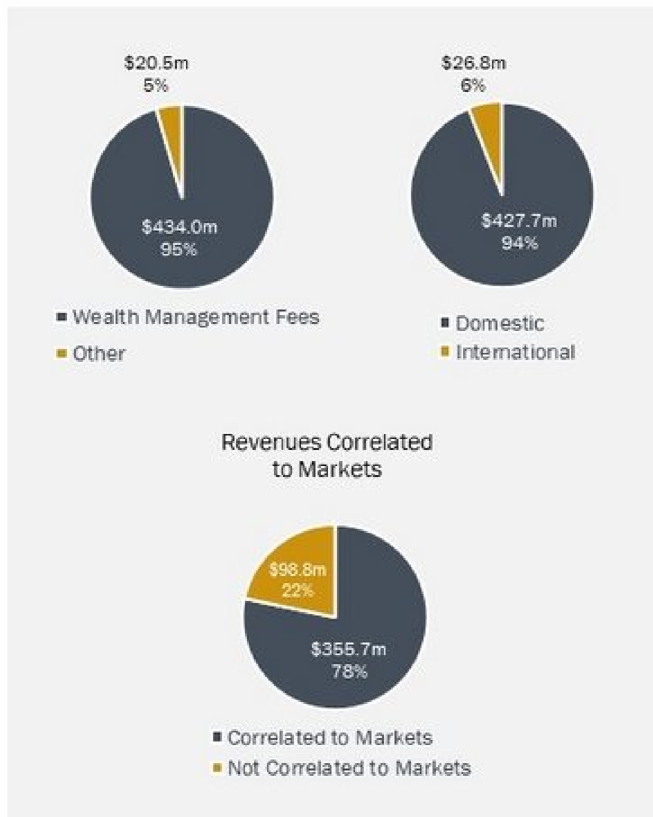
(2) As of December 1, 2021. Includes signed and pending close transactions.

(3) As of November 1, 2021.

...That is highly diversified, creating unique advantages



Market Correlated and Non-Correlated Revenues(1)



(1) As of the quarter ended September 30, 2021.

Trust is a major factor in working with an advisor

Client Trust in Financial Advisors is Increasing

~90% (1)

of investors increased both confidence & trust in their advisor during the pandemic

83% (1)

Believe they grew their account balance because of help provided by their advisor during the crisis

(1) Envestnet Industry Trends March 29, 2021.

And client priorities continue to evolve

RIAs can differentiate by offering more services…

Offered By >75% of RIAs	Offered By 50% - 75% of RIAs	Offered By <50% of RIAs
▪ Asset Allocation *(92%)*	▪ Education Funding *(62%)*	▪ Intergenerational Planning *(49%)*
▪ Retirement Income Planning *(87%)*	▪ Cash Management / Budgeting *(61%)*	▪ Business Planning *(43%)*
▪ Retirement Accumulation Planning *(85%)*	▪ Estate Planning *(60%)*	▪ Eldercare Planning *(39%)*
	▪ Tax Planning *(59%)*	▪ Evaluating 3rd Party Loans *(21%)*
	▪ Insurance *(57%)*	▪ Trust Services *(20%)*
	▪ Retirement Benefits Consulting *(57%)*	▪ Concierge & Lifestyle Services *(18%)*
	▪ Charitable Planning *(56%)*	▪ Private Banking *(7%)*
	▪ Investment Manager Due Diligence *(56%)*	

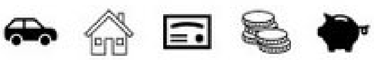
- Table Stakes
- Differentiated Services

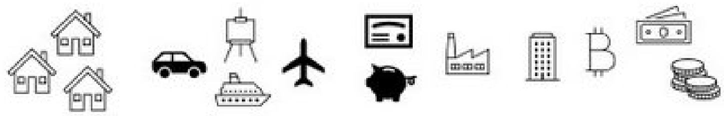
Source: Cerulli US RIA Market place 2020 / Envestnet State of the RIA Market January 2021.

1 Why our value-added services matter

...And positioning themselves to meet differing client needs

Client needs vary based on the complexity of their wealth and assets





Mass Affluent Clients

- Investment Management
- Retirement Planning
- Cash Management/ Budgeting
- Educating Funding
- Tax Planning
- Insurance
- Lending: *Mortgage*

Increasing complexity of wealth

Ultra-High Net Worth Clients

- Investment Management
- Retirement Planning
- Cash Management/ Budgeting
- Educating Funding
- Tax Planning
- Insurance
- Lending: *Mortgage, Marine & Airplane Financing, Specialty, Succession Financing & more...*
- Access to Alternatives: *Real Estate, Private Equity, ESG*
- Estate Planning
- Charitable Giving
- Inter-Generational Planning
- Trust Services
- Business Planning
- 3rd Party Due Diligence
- Concierge & Lifestyle Services
- Health Care Services
- Family Office Services

1 Why our value-added services matter

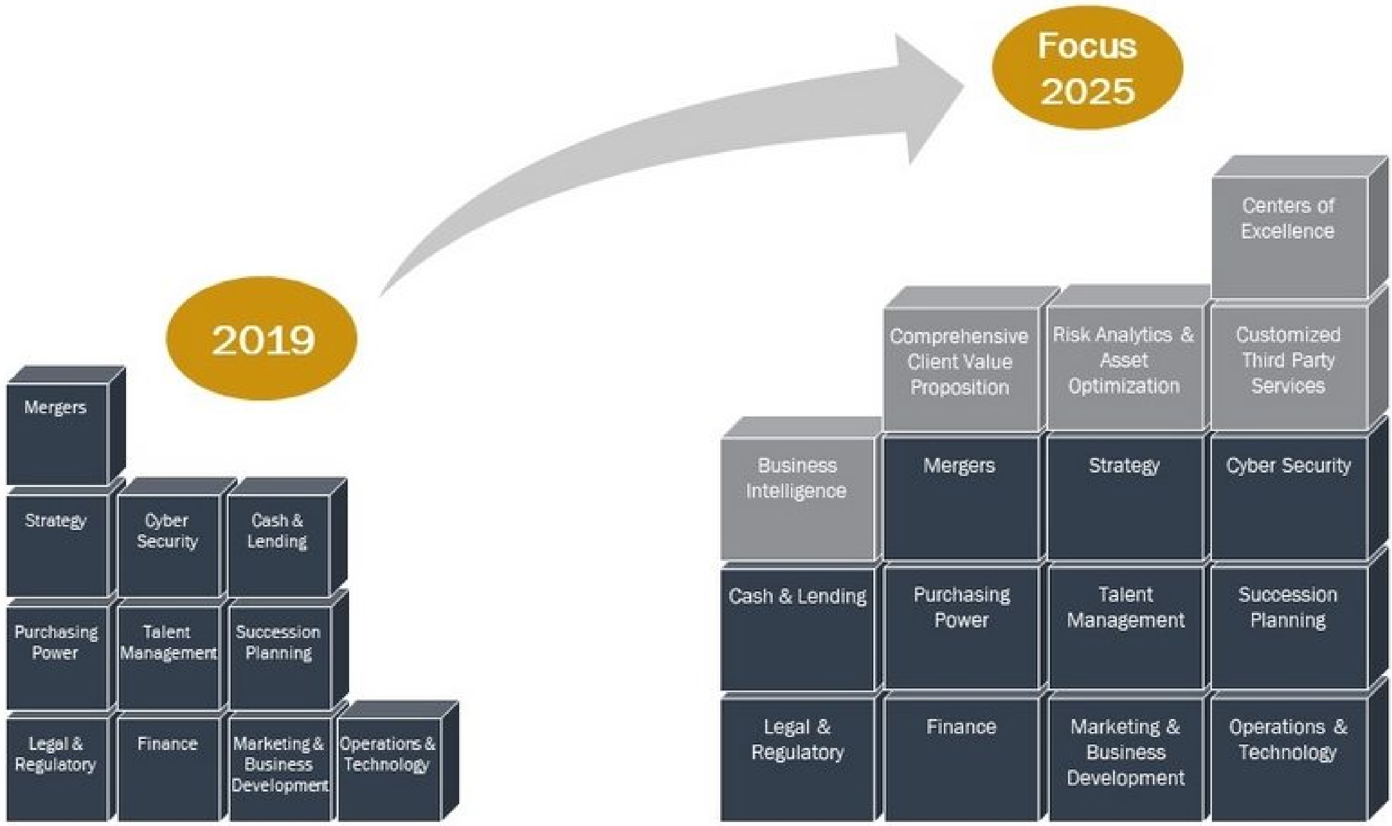
To stay competitive RIAs also need to upgrade their business practices

RIAs Face Key Challenges	Scale Is Increasingly Important
Succession Planning	Next-Gen Advisors, Internal Successors
Capacity to Grow	Access to Capital, National Brands
Institutional Processes	Professional Management Teams
Ecosystem Consolidation	Pricing Power, Economies of Scale

2 What we offer

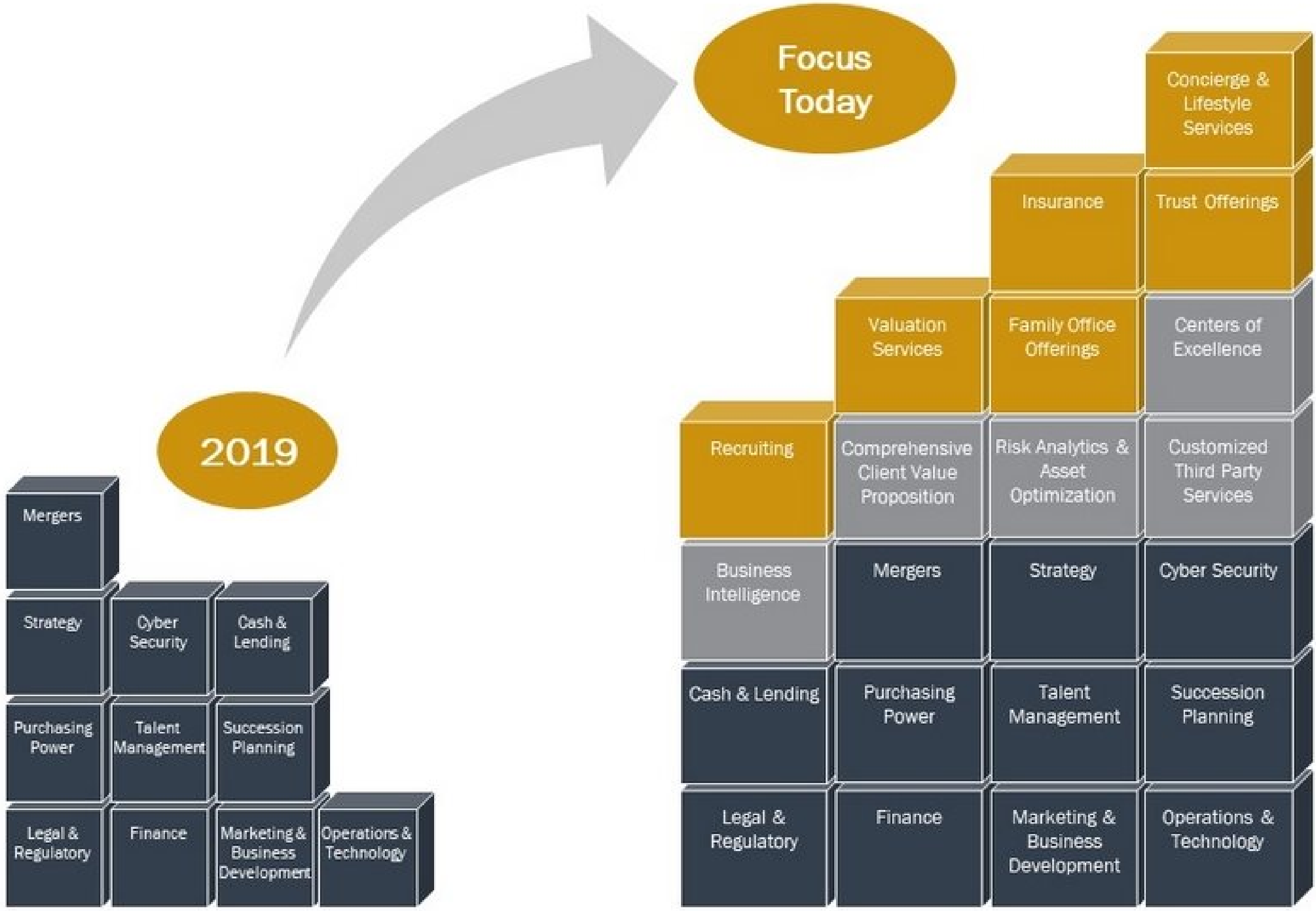
We enable our partner firms to meet those needs

Our Vision in 2019



2 What we offer

We have exceeded our original plan for adding new services



We offer a comprehensive array of solutions

CLIENT SOLUTIONS

Enhances client outcomes by improving our partners' service offerings

- Cash & Credit Solutions
- Trust Solutions
- Portfolio & Asset Optimization
- Valuation Services
- Insurance Solutions
- Family Office & Concierge Services

BUSINESS SOLUTIONS

Accelerates growth through the extension of resources, capital and scale

- Mergers & Acquisitions
- Business Strategy & Leadership Planning
- Marketing & Organic Growth
- Operations, Technology & Cyber Security
- Business Intelligence
- Talent Management & Recruiting
- Finance, Legal & Regulatory
- Best Practices & Knowledge Sharing

Built for clients designed for advisors

We build from the bottom up by listening to the needs of our partners and their clients

- Input from Partnership of 82[1] partner firms
- Insights from firms' Advisors & their Clients
- Access & Knowledge of Technology Landscape
- Focus Expertise Backed by Big Data and Knowledge Repository

✓ Bespoke, Open Architecture Solutions

✓ Powered by Best-In-Class Technology

✓ Easy to Use by Advisors

✓ Equally Easy to Use by Clients

✓ Highly Scalable

Resources ● ○ ○ | Scale ○ ● ○ | Outcomes ○ ○ ●

(1) As of December 1, 2021. Includes signed and pending close transactions.

A deeper dive

CLIENT SOLUTIONS	BUSINESS SOLUTIONS
Enhances client outcomes by improving our partners' service offerings	*Accelerates growth through the extension of resources, capital and scale*
Cash & Credit Solutions	Talent Management & Recruiting
Portfolio & Asset Optimization	Operations, Technology & Cyber Security

Resources | Scale | Outcomes

Cash & credit solutions

A Fiduciary Private Bank without the Baggage

- Dedicated Team of 11
- 30 Active Lending Institutions
- 40 Active Partner Firms
- Proprietary Loan Portal
- Orion Joint Venture

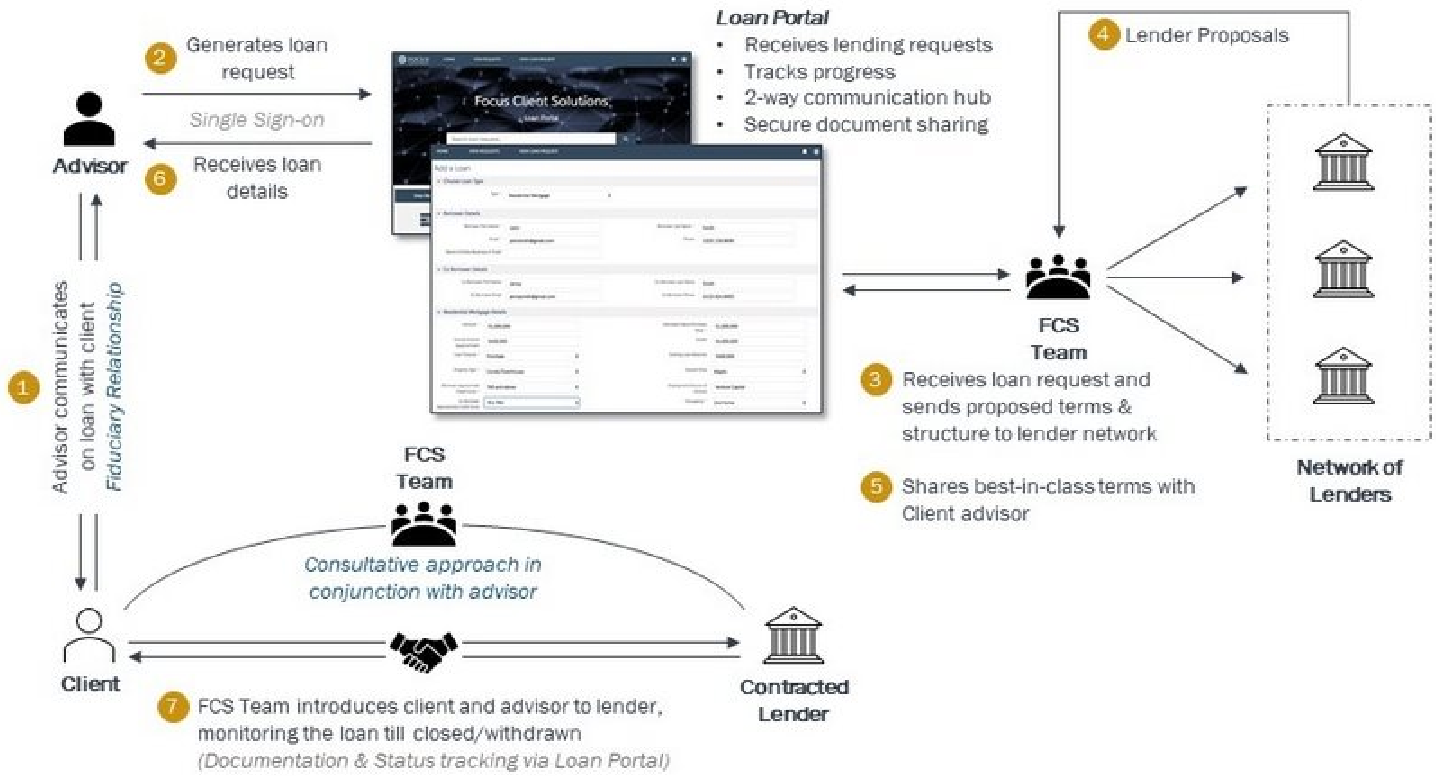
We have a Securities Backed Line of Credit in process - the team has been extremely proactive and immediately responsive. The systems are SO EASY to use, to track and see where things stand.
~ Baystate Financial (Orion Firm)

FCS has made a big difference for our clients & operations. Prior to FCS we would reach out to at least 3-4 banks for client lending needs. Now we simply go to the FCS portal as a one-stop-shop. The team is very responsive and have added a ton of value negotiating the best rates and structures for our clients.
- Harry Jones, Edge Capital Group

How we execute

Cash & credit solutions: Designed for easy access

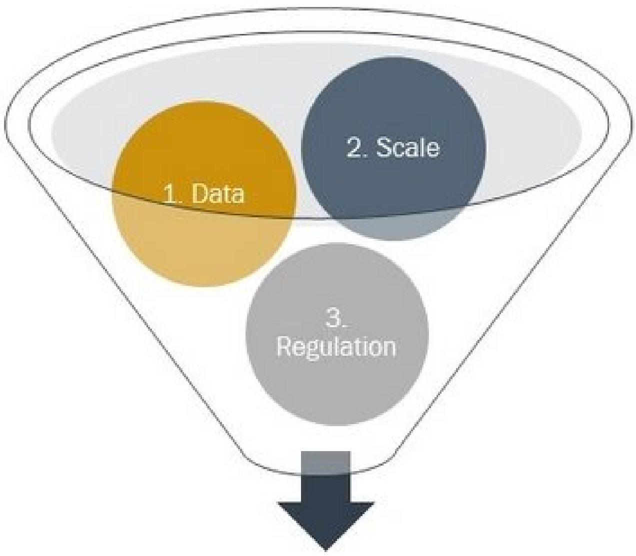
The FCS Loan Portal provides advisors with a user-friendly technology platform designed to facilitate lending requests via a centralized 2-way communication hub



3 How we execute

Portfolio & asset optimization

Focus has built an ecosystem where partners can leverage each other's investment strategies to create better outcomes for their clients



Asset Optimization +
Collaboration Among Partner Firms

Select Examples

Alternative Investments	SCS Financial
Real Estate Investments	Kovitz
Equity Strategies	InterOcean InterOcean Capital
ESG Strategies	Seasons of Advice

No requirement to cross sell investment strategies

Case study: access to alternative investments

1

SCS | INVESTMENT PARTNERS

Assets Under Management	$30 Billion
Alternative Investments	$12 Billion
Private Equity Since Inception(1)	41% Net IRR
Investment Professionals	25
Total SCS Staff	112

2

CAIS

3

Results YTD(1)

$100+ Million Invested

$200+ Million Committed

Source: SCS PEVII 8-2021 Sales Materials Assets Under Management
Notes: Assets Under Management as of June 30, 2021. Employee count as of July 15, 2021. Private Equity performance includes Private Equity II-VI and Private Co-investment Opportunities I as of March 31, 2021 and shown net of underlying manager fees and net of an SCS management fee (75bps) and incentive fee as applicable (5% above an 8% preferred return for private equity, 12.5% above an 8% preferred return for co-investment vehicles).
Past performance may not be indicative of future results.
(1) Data as of September 30, 2021.

Talent management & recruiting: more important than ever before

The industry is facing a talent crisis...	...and our partners believe recruiting will only get harder
▪ In 2019 **retirees began to outpace entrants** to the field[1]	▪ **61% believe recruiting is harder today** than 3 years ago[1]
▪ **Average advisor is 50 years old** and 12% of advisors are under 35[2]	▪ Only **5%** believe **recruiting is easier** today[1]
▪ **A massive wave of advisor retirement** is expected in the **next 10 years**	▪ **>45%** said they are either **worried or very worried about a talent shortage** over the next 5 years[1]

(1) Based on internal survey of Focus Partners.
(2) Rethinking your Talent Strategy to Drive Long-term Sustainability, Fidelity Investments.

Talent management & leadership: recruiting support & resources

We work with our partner firms to address their unique organizational needs and help them build new competencies

1. Centralized job board
2. Network of 40+ recruiting firms with deep industry expertise across North America & Australia
3. 140+ advisor introductions to partner firms since 2020
4. 22 new advisor hires YTD across 10 firms

(1) As of December 1, 2021. Includes signed and pending close transactions.

3 How we execute

Talent management & recruiting: best practices & knowledge sharing

We provide our partner firms with the knowledge and resources to create best-in-class talent management programs

3 How we execute

Three key ingredients of digital enablement

We help our partner firms offer premier client experiences via a highly curated technology stack

Curation at Scale

Partner firms using curated tech eco-systems to address different client segments

Bespoke Solutions

Volume & Speed of Change

80%+ of partners have upgraded their infrastructure after joining Focus

Quick Adoption

Enterprise Pricing

Most favored nation pricing and service standards due to scale

Best-In-Class Pricing

3 How we execute

Building a highly curated & scalable wealth tech stack

An integrated wealth tech platform suite

CLIENT PORTAL
White-labeled, highly customized client portal complete with secure bi-directional Client and COI document vault

BUSINESS INTELLIGENCE
Business management insights to improve operational & strategic decision making

RISK ANALYTICS & STRESS TESTING
Proprietary Risk Management tools available to implement sophisticated stress testing & scenario analysis

INVESTMENTS & RESEARCH
Access to consulting, research, AI tools and an expanded investment platform to monitor portfolios, personalize market insights, and access SMAs, alternatives and ESG strategies

CRM
Fully integrated with 360° client views, enhanced client service dashboards, and actionable business development analytics COI tracking to help drive new business

TRADING & REBALANCING
Tax sensitive trading tools that track models and streamline trade execution (start to finish) consistently across all security types

IT INFRASTRUCTRE
Externally managed, secure cloud-based IT infrastructure. Communication technology enabling prospect, client & employee engagement

DIGITAL CLIENT ONBOARDING
Enhanced client and advisor paperwork experience through a highly efficient end-to-end & fully digital onboarding process: straight through from your CRM to the Custodian

PERFORMANCE & ANALYTICS
Sophisticated data aggregation, visualization and reporting tools that track complex client structures and assets.

FINANCIAL & TAX PLANNING
Multiple tools available to support distinct client segments and level of complexity

3 How we execute

Backed by a holistic approach to cyber security

We help our partner firms anticipate threats and keep client data safe
10 tenets of our cyber security program

1. *Pre-Closing Security Assessment*
2. *NIST Based Cyber Maturity Model*
3. *Post Transaction Close Recommendations*
4. *Actionable Written Information Security Policies*
5. *Incident Response, Business Continuity and Disaster Recovery Plans*
6. *IT Technical Controls*
7. *Ongoing Cyber Training Modules & Phishing Tests*
8. *Periodic 3rd Party Audits*
9. *Incident Support Through Beazley Cyber Insurance*
10. *2021 - Ransomware Table-Top Exercise*

In Summary

We continuously work to enhance value for our partners and their clients. We...

Listen

Learn

Develop

Positioning Our Partners for Success

We will focus on deepening our existing capabilities

Resources	Scale	Outcomes
✓ Hiring senior level experts ✓ Arming them with resources to create best-in-class experiences ✓ Capturing knowledge and institutionalizing best practices	✓ Building advisor and client friendly tools ✓ Ongoing education for Focus partners on value-add enhancements ✓ Continued enhancement of value-add expertise	✓ Enhancing advisor and client satisfaction ✓ Improving margins and driving organic growth for partners ✓ Further establishing us as the destination of choice as a value-add partner

4 Looking ahead

To enhance our organic revenue growth

Estimated Components of Revenue Growth

FOCUS 2025

New Vision

~$4.0
billion revenues

~$1.1
billion Adjusted EBITDA(2)

~28%
Adjusted EBITDA Margin(3)

~125
partner firms

(1) Fiscal 2021 estimate is comprised of actual results for the 9 months ended September 30, 2021 plus the mid-point of the Q4 2021 guidance for revenues ($475 to $485 million).
(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) Adjusted EBITDA divided by revenue.


Appendix

Net Income (Loss) to Adjusted EBITDA Reconciliation

($ in thousands)	2017	2018	2019	2020	Nine months ended Sept. 30, 2018	Nine months ended Sept. 30, 2019	Nine months ended Sept. 30, 2020	Nine months ended Sept. 30, 2021	Trailing 4-Quarters ended Sept. 30, 2019	Trailing 4-Quarters ended Sept. 30, 2021
Net income (loss)	$ (48,359)	$ (41,087)	$ (12,025)	$ 48,965	$ (58,634)	$ 666	$ 41,291	$ 9,505	$ 18,213	$ 17,179
Interest income	(222)	(1,266)	(1,164)	(453)	(809)	(827)	(412)	(310)	(1,284)	(351)
Interest expense	41,861	56,448	58,291	41,658	45,480	43,135	32,546	37,893	54,103	47,005
Income tax expense (benefit)	(1,501)	9,450	7,049	20,660	5,667	(3,701)	16,512	6,038	82	10,186
Amortization of debt financing costs	4,084	3,498	3,452	2,909	2,716	2,483	2,200	2,856	3,265	3,565
Intangible amortization	64,367	90,381	130,718	147,783	65,400	94,860	108,759	133,041	119,841	172,065
Depreciation and other amortization	6,686	8,370	10,675	12,451	6,121	7,535	9,131	10,835	9,784	14,155
Non-cash equity compensation expense	34,879	44,468	18,329	22,285	31,612	13,375	15,588	24,569	26,231	31,266
Non-cash changes in fair value of estimated contingent consideration	22,294	6,638	38,797	19,197	28,879	25,696	(621)	96,241	3,455	116,059
Gain on sale of investment	–	(5,509)	–	–	(5,509)	–	–	–	–	–
Loss on extinguishment of borrowings	8,106	21,071	–	6,094	21,071	–	6,094	–	–	–
Other expense (income), net	3,191	2,350	1,049	214	229	695	(25)	219	2,816	458
Impairment of equity method investment	–	–	11,749	–	–	–	–	–	–	–
Management contract buyout	–	–	1,428	–	–	1,428	–	–	1,428	–
Delayed offering cost expense	9,840	–	–	–	–	–	–	–	–	–
Secondary offering expenses	–	–	–	–	–	–	–	1,409	–	1,409
Other one-time transaction expenses (1)	–	8,590	1,486	–	6,969	1,486	–	–	3,107	–
Adjusted EBITDA	$ 145,226	$ 203,402	$ 269,834	$ 321,763	$ 149,192	$ 186,831	$ 231,063	$ 322,296	$ 241,041	$ 412,996

(1) Represents one-time expenses primarily related to an acquisition and our IPO and Reorganization Transactions. Refer to our 10-Q and 10-K filings for additional details.

Net Income to Adjusted EBITDA Reconciliation

($ in thousands)	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021
Net income	$ 34,019	$ 3,328	$ 3,944	$ 7,674	$ 2,482	$ 5,174	$ 1,849
Interest income	(285)	(66)	(61)	(41)	(47)	(57)	(206)
Interest expense	13,586	10,057	8,903	9,112	10,521	10,829	16,543
Income tax expense	12,070	37	4,405	4,148	1,186	2,174	2,678
Amortization of debt financing costs	782	709	709	709	852	902	1,102
Intangible amortization	35,723	36,012	37,024	39,024	42,983	44,003	46,055
Depreciation and other amortization	2,982	3,029	3,120	3,320	3,607	3,606	3,622
Non-cash equity compensation expense	5,034	5,248	5,306	6,697	12,356	6,275	5,938
Non-cash changes in fair value of estimated contingent consideration	(31,373)	16,472	14,280	19,818	25,936	34,062	36,243
Loss on extinguishment of borrowings	6,094	—	—	—	—	—	—
Other expense (income), net	(612)	(70)	657	239	(3)	534	(312)
Secondary offering expenses	—	—	—	—	1,122	287	—
Adjusted EBITDA	$ 78,020	$ 74,756	$ 78,287	$ 90,700	$ 100,995	$ 107,789	$ 113,512

Net Income (Loss) to Adjusted Net Income Excluding Tax Adjustments Reconciliation

				Three months ended			Nine months ended			
	2018	2019	2020	Sept. 30, 2019	Sept. 30, 2020	Sept. 30, 2021	Sept. 30, 2018	Sept. 30, 2019	Sept. 30, 2020	Sept. 30, 2021
($ in thousands, except share and per share data)										
Net income (loss)	$ (41,087)	$ (12,025)	$ 46,965	$ 392	$ 3,944	$ 1,849	$ (58,634)	$ 666	$ 41,291	$ 9,505
Income tax expense	9,450	7,049	20,660	(3,905)	4,405	2,676	5,667	(3,701)	16,512	6,038
Amortization of debt financing costs	3,498	3,452	2,909	919	709	1,102	2,716	2,483	2,200	2,658
Intangible amortization	90,361	130,716	147,763	34,696	37,024	46,055	65,400	94,660	106,759	133,041
Non-cash equity compensation expense	44,468	18,329	22,285	4,276	5,308	5,938	31,612	13,375	15,588	24,569
Non-cash changes in fair value of estimated contingent consideration	6,638	38,797	19,197	14,435	14,280	36,243	26,679	25,696	(621)	96,241
Gain on sale of investment	(5,509)	–	–	–	–	–	(5,509)	–	–	–
Loss on extinguishment of borrowings	21,071	–	6,094	–	–	–	–	–	6,094	–
Impairment of equity method investment	–	11,749	–	–	–	–	21,071	–	–	–
Management contract buyout	–	1,428	–	–	–	–	–	1,428	–	–
Secondary offering expenses	–	–	–	–	–	–	–	–	–	1,409
Other one-time transaction expenses (1)	11,529	1,486	–	–	–	–	7,535	1,486	–	–
Subtotal	140,439	200,983	267,893	51,015	65,668	93,865	96,737	136,293	189,823	273,659
Pro forma income tax expense (27%) (2)	(37,919)	(54,265)	(72,331)	(13,774)	(17,730)	(25,344)	(26,659)	(36,799)	(51,252)	(73,889)
Adjusted Net Income Excluding Tax Adjustments	$ 102,520	$ 146,718	$ 195,562	$ 37,241	$ 47,938	$ 68,521	$ 72,078	$ 99,494	$ 138,571	$ 199,770
Tax Adjustments (3)	$ 22,828	$ 31,860	$ 37,254	$ 8,407	$ 9,288	$ 11,835	$ 16,521	$ 23,100	$ 27,396	$ 33,365

(1) Represents one-time expenses primarily related to an acquisition and our IPO and Reorganization Transactions. Refer to our 10-Q and 10-K filings for additional details.
(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.
(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 September 30, 2021, 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 $48.3 million.

Adjusted Shares Outstanding Reconciliation

	3 months ended September 30, 2021
Calculation of Adjusted Shares Outstanding:	
Weighted average shares of Class A common stock outstanding—basic (1)	59,940,166
Adjustments:	
Weighted average incremental shares of Class A common stock related to stock options, unvested Class A common stock and restricted stock units (2)	498,344
Weighted average Focus LLC common units outstanding (3)	12,609,173
Weighted average Focus LLC restricted common units outstanding (4)	71,374
Weighted average common unit equivalent of Focus LLC incentive units outstanding (5)	8,710,727
Adjusted Shares Outstanding	81,829,784

(1) Represents our GAAP weighted average Class A common stock outstanding – basic.
(2) Represents the incremental shares related to stock options, unvested Class A common stock and restricted stock units as calculated under the treasury stock method.
(3) Assumes that 100% of the Focus LLC common units were exchanged for Class A common stock.
(4) Assumes that 100% of the Focus LLC restricted common units were exchanged for Class A common stock.
(5) 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)	June 30, 2019	Sept. 30, 2019	Dec. 31, 2019	March 31, 2020 (3)	June 30, 2020	Sept. 30, 2020	Dec. 31, 2020	Mar. 31, 2021 (3)	June 30, 2021	Sept. 30, 2021
	Three months ended									
Net cash provided by operating activities	$ 39,305	$ 74,702	$ 64,854	$ 3,382	$ 60,996	$ 74,089	$ 72,894	$ 34,128	$117,832	$ 85,888
Purchase of fixed assets	(8,185)	(10,698)	(4,714)	(3,188)	(2,759)	(6,744)	(6,658)	(2,835)	(1,483)	(2,242)
Distributions for unitholders	(11,138)	(3,491)	(5,416)	(4,567)	(3,076)	(8,122)	(6,692)	(9,055)	(10,053)	(7,283)
Payments under tax receivable agreements	–	–	–	–	–	–	–	(4,112)	(311)	–
Adjusted Free Cash Flow	$ 19,982	$ 60,513	$ 54,724	$ (4,373)	$ 55,161	$ 59,223	$ 59,544	$ 18,126	$105,985	$ 76,363
Portion of contingent consideration paid included in operating activities (1)	4,012	825	815	8,344	16,369	3,806	2,394	5,276	11,605	20,415
Cash Flow Available for Capital Allocation (2)	$ 23,994	$ 61,338	$ 55,539	$ 3,971	$ 71,530	$ 63,029	$ 61,938	$ 23,402	$117,590	$ 96,778

(1) A portion of contingent consideration paid is classified as operating cash outflows in accordance with GAAP, and therefore is a reconciling item to arrive at Cash Flow Available for Capital Allocation.
(2) Cash Flow Available for Capital Allocation excludes all contingent consideration that was included in either operating, investing or financing activities of our consolidated statements of cash flows.
(3) Net cash provided by operating activities for the three months ended March 31, 2020 and 2021, 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.