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): **August 4, 2022**

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

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

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

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

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

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

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

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

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

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

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

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

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 2.02 Results of Operations and Financial Condition.

On August 4, 2022, Focus Financial Partners Inc. (the "Company") issued a press release reporting results for its second quarter ended June 30, 2022. A copy of the press release is furnished with this Current Report on Form 8-K (this "Current Report") as Exhibit 99.1.

Item 7.01 Regulation FD Disclosure.

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

On August 4, 2022, the Company also posted a slide presentation entitled "Second Quarter 2022 Earnings Release Supplement" dated August 4, 2022 to the "Events" section of the "Investor Relations" section of its website (www.focusfinancialpartners.com). A copy of the slide presentation is furnished with this Current Report as Exhibit 99.2.

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

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
99.1	Focus Financial Partners Inc. Press Release, dated August 4, 2022.
99.2	Focus Financial Partners Inc. Slide Presentation, dated August 4, 2022.
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: August 4, 2022

Exhibit 99.1

Focus Financial Partners Reports Second Quarter 2022 Results

Revenue Diversification, Variable Expense Base and Global Scale Drive Excellent Financial Performance in Volatile Markets

New York, New York – August 4, 2022 – Focus Financial Partners Inc. (Nasdaq: FOCS) ("Focus Inc.", "Focus", the "Company", "we", "us" or "our"), a leading partnership of independent, fiduciary wealth management firms, today reported results for its second quarter ended June 30, 2022.

Second Quarter 2022 Highlights

- Total revenues of $539.2 million, 26.8% growth year over year
- Organic revenue growth(1) rate of 15.0% year over year
- GAAP net income of $49.3 million
- GAAP basic and diluted net income per share attributable to common shareholders of $0.51 and $0.50, respectively
- Adjusted Net Income Excluding Tax Adjustments(2) of $81.7 million and Tax Adjustments(3) of $16.0 million
- Adjusted Net Income Excluding Tax Adjustments Per Share(2) of $0.99 and Tax Adjustments(3) Per Share(2) of $0.19
- Net Leverage Ratio(4) of 3.90x
- 14 transactions closed or announced year to date, including 3 new partner firms and 11 mergers on behalf of partner firms

(1) Please see footnote 2 under "How We Evaluate Our Business" later in this press release.

(2) Non-GAAP financial measures. Please see "Reconciliation of Non-GAAP Financial Measures" later in this press release for a reconciliation and more information on these measures.

(3) Please see footnote 6 under "How We Evaluate Our Business" later in this press release.

(4) Please see footnote 7 under "How We Evaluate Our Business" later in this press release.

"The results we announced today for the 2022 second quarter were outstanding, highlighting the resiliency of our business despite the macro backdrop," said Rudy Adolf, Founder, CEO and Chairman of Focus. "Our partners are demonstrating their ability to handle difficult market conditions and our business is weathering the challenging environment well. Our diverse revenue stream, variable cost structure, and the scale of our global partnership of 87 firms mitigate our market sensitivity. With 14 transactions year to date and a strong pipeline going into the second half of the year, we continue to expect that 2022 will be one of our best years for M&A. Times like these position our partner firms well for strong growth in the future. We believe that the growth opportunities during and particularly after significant market volatility, combined with the operating leverage on our business, will lead to our sustained outperformance once conditions stabilize."

"We are very pleased with the strength of our financial performance this past quarter," said Jim Shanahan, Chief Financial Officer. "Although the markets were exceptionally volatile, our 2022 second quarter results were again above the top end of our guidance and the resilience of our revenue performance is notable. We have continued to deploy capital in an extremely disciplined, measured way, particularly given the heightened risks created by the broader macro environment. We are executing well and navigating this storm. As a result, we expect to be well-positioned to benefit from the growth opportunity once macro conditions improve and deliver incremental value to our shareholders."

Second Quarter 2022 Financial Highlights

Total revenues were $539.2 million, 26.8%, or $113.9 million higher than the 2021 second quarter. The primary driver of this increase was revenue growth from our existing partner firms of approximately $64.0 million. The majority of this increase was driven by higher wealth management fees, which included the effect of mergers completed by our partner firms. The balance of the increase of $49.9 million was attributable to revenues from new partner firms acquired during the last twelve months. Our year-over-year organic revenue growth rate(1) was 15.0%, above our expected 11% to 14% range for the quarter.

An estimated 76.7%, or $413.8 million, of total revenues in the quarter were correlated to the financial markets. Of this amount, 67.2%, or $278.2 million, were generated from advance billings generally based on market levels in the 2022 first quarter. The remaining 23.3%, or $125.4 million, were not correlated to the markets. These revenues typically consist of family office type services, tax advice and fixed fees for investment advice, primarily for high and ultra-high net worth clients.

GAAP net income was $49.3 million compared to $5.2 million in the prior year quarter. GAAP basic and diluted net income per share attributable to common shareholders were $0.51 and $0.50, respectively, as compared to $0.04 for both basic and diluted net income per share in the prior year quarter.

Adjusted EBITDA(2) was $137.0 million, 27.1%, or $29.2 million, higher than the prior year period. Our Adjusted EBITDA margin(3) was 25.4%, above our outlook of approximately 24.5% to 25.0% for the quarter reflecting lower compensation expense.

Adjusted Net Income Excluding Tax Adjustments(2) was $81.7 million, and Tax Adjustments(4) were $16.0 million. Adjusted Net Income Excluding Tax Adjustments Per Share(2) was $0.99, up 17.9% compared to the prior year period, and Tax Adjustments Per Share(2) were $0.19, up 35.7% compared to the prior year period.

(1) Please see footnote 2 under "How We Evaluate Our Business" later in this press release.

(2) Non-GAAP financial measures. Please see "Reconciliation of Non-GAAP Financial Measures" later in this press release for a reconciliation and more information on these measures.

(3) Calculated as Adjusted EBITDA divided by Revenues.

(4) Please see footnote 6 under "How We Evaluate Our Business" later in this press release.

Balance Sheet and Liquidity

As of June 30, 2022, cash and cash equivalents were $221.0 million and debt outstanding under our credit facilities was approximately $2.5 billion, which included $100.0 million outstanding under our First Lien Revolver. In April 2022, we extended the maturity date of our First Lien Revolver to June 2024.

Our Net Leverage Ratio(1) as of June 30, 2022 was 3.90x. We remain committed to maintaining our Net Leverage Ratio(1) between 3.5x to 4.5x and believe this is the appropriate range for our business given our highly acquisitive nature.

As of June 30, 2022, $850 million, or 34.1%, of the debt outstanding under our credit facilities had LIBOR swapped from a floating rate to a fixed weighted average interest rate of 62 basis points plus a spread of 200 basis points. The residual amount of approximately $1.6 billion, primarily consisting of our First Lien Term Loan, remains at floating rates, with $792.4 million of this amount at an interest rate of LIBOR subject to a 50 basis point floor plus 250 basis points spread, and $752.6 million of this amount at an interest rate of LIBOR plus 200 basis points spread with no LIBOR floor. We have typically used 30-day LIBOR on our term loans.

Our net cash provided by operating activities for the trailing four quarters ended June 30, 2022 was $291.3 million compared to $298.9 million for the comparable period ended June 30, 2021. Our Cash Flow Available for Capital Allocation(2) for the trailing four quarters ended June 30, 2022 was $323.2 million compared to $266.0 million for the comparable period ended June 30, 2021. This 21.5% increase reflected the earnings growth of our partner firms and the addition of new partner firms. In the 2022 second quarter, we paid $33.3 million in cash earn-out obligations and $6.2 million of required amortization under our First Lien Term Loan.

(1) Please see footnote 7 under “How We Evaluate Our Business” later in this press release.

(2) Non-GAAP financial measure. See “Reconciliation of Non-GAAP Financial Measures—Cash Flow Available for Capital Allocation” later in this press release.

Teleconference, Webcast and Presentation Information

Founder, CEO and Chairman, Rudy Adolf, and Chief Financial Officer, Jim Shanahan, will host a conference call today, August 4, 2022 at 8:30 a.m. Eastern Time to discuss the Company’s 2022 second quarter results and outlook. The call can be accessed by dialing +1-877-407-0989 (callers inside the U.S.) or +1-201-389-0921 (callers outside the U.S.).

A live, listen-only webcast, together with a slide presentation titled “Second Quarter 2022 Earnings Release Supplement” dated August 4, 2022 will be available under Events in the Investor Relations section of the Company’s website, www.focusfinancialpartners.com. A webcast replay of the call will be available shortly after the event at the same address. Registration for the call will begin 15 minutes prior to the start of the call, using the following link.

About Focus Financial Partners Inc.

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

Cautionary Note Concerning Forward-Looking Statements

The foregoing information contains certain forward-looking statements that reflect the Company's current views with respect to certain current and future events and financial performance. These forward-looking statements are and will be, as the case may be, subject to many risks, uncertainties and factors relating to the Company's operations and business environment, including the impact and duration of the outbreak of Covid-19 and the conflict in Ukraine, which may cause the Company's actual results to be materially different from any future results, expressed or implied, in these forward-looking statements. Any forward-looking statements in this release are based upon information available to the Company on the date of this release. The Company does not undertake to publicly update or revise its forward-looking statements even if experience or future changes make it clear that any statements expressed or implied therein will not be realized. Additional information on risk factors that could potentially affect the Company's financial results may be found in the Company's annual report on Form 10-K for the year ended December 31, 2021 filed and our other filings with the Securities and Exchange Commission.

Investor and Media Contacts

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How We Evaluate Our Business

We focus on several key financial metrics in evaluating the success of our business, the success of our partner firms and our resulting financial position and operating performance. Key metrics for the three and six months ended June 30, 2021 and 2022 include the following:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2022	2021	2022
	(dollars in thousands, except per share data)			
Revenue Metrics:				
Revenues	$ 425,355	$ 539,211	$ 819,530	$ 1,075,778
Revenue growth (1) from prior period	35.8%	26.8%	26.0%	31.3%
Organic revenue growth (2) from prior period	28.8%	15.0%	20.2%	18.6%
Management Fees Metrics (operating expense):				
Management fees	$ 116,205	$ 136,802	$ 218,277	$ 274,641
Management fees growth (3) from prior period	50.9%	17.7%	35.8%	25.8%
Organic management fees growth (4) from prior period	43.4%	8.4%	29.0%	14.5%
Net Income Metrics:				
Net income	$ 5,174	$ 49,318	$ 7,656	$ 88,400
Net income growth from prior period	55.5%	*	(79.5)%	*
Income per share of Class A common stock:				
Basic	$ 0.04	$ 0.51	$ 0.04	$ 0.95
Diluted	$ 0.04	$ 0.50	$ 0.04	$ 0.95
Income per share of Class A common stock growth from prior period:				
Basic	(20.0)%	*	(91.7)%	*
Diluted	33.3%	*	(91.7)%	*
Adjusted EBITDA Metrics:				
Adjusted EBITDA (5)	$ 107,789	$ 137,021	$ 208,784	$ 272,101
Adjusted EBITDA growth (5) from prior period	44.2%	27.1%	36.7%	30.3%
Adjusted Net Income Excluding Tax Adjustments Metrics:				
Adjusted Net Income Excluding Tax Adjustments (5)	$ 67,800	$ 81,679	$ 131,249	$ 164,752
Adjusted Net Income Excluding Tax Adjustments growth (5) from prior period	50.3%	20.5%	44.8%	25.5%
Tax Adjustments				
Tax Adjustments (5)(6)	$ 11,038	$ 15,977	$ 21,530	$ 30,790
Tax Adjustments growth from prior period (5)(6)	20.3%	44.7%	18.9%	43.0%

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2022	2021	2022
	(dollars in thousands, except per share data)			
Adjusted Net Income Excluding Tax Adjustments Per Share and Tax Adjustments Per Share Metrics:				
Adjusted Net Income Excluding Tax Adjustments Per Share (5)	$ 0.84	$ 0.99	$ 1.62	$ 2.01
Tax Adjustments Per Share (5)(6)	$ 0.14	$ 0.19	$ 0.27	$ 0.37
Adjusted Net Income Excluding Tax Adjustments Per Share growth (5) from prior period	42.4%	17.9%	36.1%	24.1%
Tax Adjustments Per Share growth from prior period (5)(6)	16.7%	35.7%	12.5%	37.0%
Adjusted Shares Outstanding				
Adjusted Shares Outstanding (5)	81,076,423	82,312,683	81,020,580	82,123,532
Other Metrics:				
Net Leverage Ratio (7) at period end	3.54x	3.90x	3.54x	3.90x
Acquired Base Earnings (8)	$ 10,300	$ 11,450	$ 10,963	$ 11,450
Number of partner firms at period end (9)	74	85	74	85

* Not meaningful

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

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

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

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

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

(6) Tax Adjustments represent the tax benefits of intangible assets, including goodwill, associated with deductions allowed for tax amortization of intangible assets in the respective periods based on a pro forma 27% income tax rate. Such amounts were generated from acquisitions completed where we received a step-up in basis for tax purposes. Acquired intangible assets may be amortized for tax purposes, generally over a 15-year period. Due to our acquisitive nature, tax deductions allowed on acquired intangible assets provide additional significant supplemental economic benefit. The tax benefit from amortization is included to show the full economic benefit of deductions for acquired intangible assets with the step-up in tax basis. As of June 30, 2022, estimated Tax Adjustments from intangible asset related income tax benefits from closed acquisitions based on a pro forma 27% income tax rate for the next 12 months is $63.2 million.

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

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

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

Unaudited Condensed Consolidated Financial Statements

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

	For the three months ended June 30,		For the six months ended June 30,	
	2021	2022	2021	2022
REVENUES:				
Wealth management fees	$ 404,970	$ 517,421	$ 779,815	$ 1,032,600
Other	20,385	21,790	39,715	43,178
Total revenues	425,355	539,211	819,530	1,075,778
OPERATING EXPENSES:				
Compensation and related expenses	139,045	178,131	280,088	359,931
Management fees	116,205	136,802	218,277	274,641
Selling, general and administrative	69,018	94,771	132,844	183,421
Intangible amortization	44,003	64,649	86,986	124,925
Non-cash changes in fair value of estimated contingent consideration	34,062	(42,757)	59,998	(51,742)
Depreciation and other amortization	3,606	3,805	7,213	7,438
Total operating expenses	405,939	435,401	785,406	898,614
INCOME FROM OPERATIONS	19,416	103,810	34,124	177,164
OTHER INCOME (EXPENSE):				
Interest income	57	17	104	20
Interest expense	(10,829)	(19,892)	(21,350)	(37,508)
Amortization of debt financing costs	(902)	(949)	(1,754)	(2,050)
Other expense—net	(534)	(1,451)	(531)	(1,487)
Income from equity method investments	140	11	423	106
Total other expense—net	(12,068)	(22,264)	(23,108)	(40,919)
INCOME BEFORE INCOME TAX	7,348	81,546	11,016	136,245
INCOME TAX EXPENSE	2,174	32,228	3,360	47,845
NET INCOME	5,174	49,318	7,656	88,400
Non-controlling interest	(3,197)	(16,235)	(5,423)	(26,215)
NET INCOME ATTRIBUTABLE TO COMMON SHAREHOLDERS	$ 1,977	$ 33,083	$ 2,233	$ 62,185
Income per share of Class A common stock:				
Basic	$ 0.04	$ 0.51	$ 0.04	$ 0.95
Diluted	$ 0.04	$ 0.50	$ 0.04	$ 0.95
Weighted average shares of Class A common stock outstanding:				
Basic	55,710,666	65,389,642	53,965,045	65,360,667
Diluted	56,162,822	65,596,377	54,418,520	65,682,081

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

	December 31, 2021	June 30, 2022
ASSETS		
Cash and cash equivalents	$ 310,684	$ 221,049
Accounts receivable less allowances of $3,255 at 2021 and $4,201 at 2022	198,827	206,909
Prepaid expenses and other assets	123,826	165,711
Fixed assets—net	47,199	46,856
Operating lease assets	249,850	254,853
Debt financing costs—net	4,254	4,169
Deferred tax assets—net	267,332	236,040
Goodwill	1,925,315	2,050,297
Other intangible assets—net	1,581,719	1,624,878
TOTAL ASSETS	$ 4,709,006	$ 4,810,762
LIABILITIES AND EQUITY		
LIABILITIES		
Accounts payable	$ 11,580	$ 16,228
Accrued expenses	72,572	91,885
Due to affiliates	105,722	53,905
Deferred revenue	10,932	10,117
Contingent consideration and other liabilities	468,284	370,775
Deferred tax liabilities	31,973	35,682
Operating lease liabilities	277,324	283,852
Borrowings under credit facilities (stated value of $2,407,302 and $2,494,954 at December 31, 2021 and June 30, 2022, respectively)	2,393,669	2,482,697
Tax receivable agreements obligations	219,542	216,765
TOTAL LIABILITIES	3,591,598	3,561,906
EQUITY		
Class A common stock, par value $0.01, 500,000,000 shares authorized; 65,320,124 and 65,442,389 shares issued and outstanding at December 31, 2021 and June 30, 2022, respectively	653	654
Class B common stock, par value $0.01, 500,000,000 shares authorized; 11,439,019 and 12,034,104 shares issued and outstanding at December 31, 2021 and June 30, 2022, respectively	114	120
Additional paid-in capital	841,753	910,222
Retained earnings	24,995	87,180
Accumulated other comprehensive income	3,029	15,859
Total shareholders' equity	870,544	1,014,035
Non-controlling interest	246,864	234,821
Total equity	1,117,408	1,248,856
TOTAL LIABILITIES AND EQUITY	$ 4,709,006	$ 4,810,762

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

	For the six months ended June 30, 2021	For the six months ended June 30, 2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 7,656	$ 88,400
Adjustments to reconcile net income to net cash provided by operating activities—net of effect of acquisitions:		
Intangible amortization	86,986	124,925
Depreciation and other amortization	7,213	7,438
Amortization of debt financing costs	1,754	2,050
Non-cash equity compensation expense	18,631	14,210
Non-cash changes in fair value of estimated contingent consideration	59,998	(51,742)
Income from equity method investments	(423)	(106)
Distributions received from equity method investments	403	776
Deferred taxes and other non-cash items	1,425	29,576
Changes in cash resulting from changes in operating assets and liabilities:		
Accounts receivable	(10,038)	(9,398)
Prepaid expenses and other assets	(14,450)	(9,776)
Accounts payable	(527)	4,778
Accrued expenses	16,883	21,446
Due to affiliates	(9,765)	(51,962)
Contingent consideration and other liabilities	(13,986)	(40,201)
Deferred revenue	200	(1,122)
Net cash provided by operating activities	151,960	129,292
CASH FLOWS FROM INVESTING ACTIVITIES:		
Cash paid for acquisitions and contingent consideration—net of cash acquired	(82,106)	(252,056)
Purchase of fixed assets	(4,318)	(6,429)
Investment and other, net	(19,132)	(5,232)
Net cash used in investing activities	(105,556)	(263,717)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Borrowings under credit facilities	524,375	100,000
Repayments of borrowings under credit facilities	(413,347)	(12,348)
Proceeds from issuance of common stock, net	25,767	—
Payments in connection with unit redemption, net	(25,767)	—
Payments in connection with tax receivable agreements	(4,423)	(3,856)
Contingent consideration paid	(57,030)	(21,397)
Payments of debt financing costs	(2,700)	(1,111)
Proceeds from exercise of stock options	4,017	422
Distributions for unitholders	(19,108)	(15,956)
Other	(39)	375
Net cash provided by financing activities	31,745	46,129
EFFECT OF EXCHANGE RATES ON CASH AND CASH EQUIVALENTS	(26)	(1,339)
CHANGE IN CASH AND CASH EQUIVALENTS	78,123	(89,635)
CASH AND CASH EQUIVALENTS:		
Beginning of period	65,858	310,684
End of period	$ 143,981	$ 221,049

Reconciliation of Non-GAAP Financial Measures

Adjusted EBITDA

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

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

We use Adjusted EBITDA:

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

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

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

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

Set forth below is a reconciliation of net income to Adjusted EBITDA for the three and six months ended June 30, 2021 and 2022:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	**2022**	**2021**	**2022**
		(in thousands)		
Net income	$ 5,174	$ 49,318	$ 7,656	$ 88,400
Interest income	(57)	(17)	(104)	(20)
Interest expense	10,829	19,892	21,350	37,508
Income tax expense	2,174	32,228	3,360	47,845
Amortization of debt financing costs	902	949	1,754	2,050
Intangible amortization	44,003	64,649	86,986	124,925
Depreciation and other amortization	3,606	3,805	7,213	7,438
Non-cash equity compensation expense	6,275	7,503	18,631	14,210
Non-cash changes in fair value of estimated contingent consideration	34,062	(42,757)	59,998	(51,742)
Other expense—net	534	1,451	531	1,487
Secondary offering expenses	287	—	1,409	—
Adjusted EBITDA	$ 107,789	$ 137,021	$ 208,784	$ 272,101

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

We analyze our performance using Adjusted Net Income Excluding Tax Adjustments and Adjusted Net Income Excluding Tax Adjustments Per Share. Adjusted Net Income Excluding Tax Adjustments and Adjusted Net Income Excluding Tax Adjustments Per Share are non-GAAP measures. We define Adjusted Net Income Excluding Tax Adjustments as net income excluding income tax expense, amortization of debt financing costs, intangible amortization and impairments, if any, non-cash equity compensation expense, non-cash changes in fair value of estimated contingent consideration and secondary offering expenses, if any. The calculation of Adjusted Net Income Excluding Tax Adjustments also includes adjustments to reflect a pro forma 27% income tax rate reflecting the estimated U.S. federal, state, local and foreign income tax rates applicable to corporations in the jurisdictions we conduct business.

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

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

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

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

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

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

Tax Adjustments and Tax Adjustments Per Share

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

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

Set forth below is a reconciliation of net income to Adjusted Net Income Excluding Tax Adjustments and Adjusted Net Income Excluding Tax Adjustments Per Share for the three and six months ended June 30, 2021 and 2022:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	**2022**	**2021**	**2022**
	(dollars in thousands, except per share data)			
Net income	$ 5,174	$ 49,318	$ 7,656	$ 88,400
Income tax expense	2,174	32,228	3,360	47,845
Amortization of debt financing costs	902	949	1,754	2,050
Intangible amortization	44,003	64,649	86,986	124,925
Non-cash equity compensation expense	6,275	7,503	18,631	14,210
Non-cash changes in fair value of estimated contingent consideration	34,062	(42,757)	59,998	(51,742)
Secondary offering expenses (1)	287	—	1,409	—
Subtotal	92,877	111,890	179,794	225,688
Pro forma income tax expense (27%) (2)	(25,077)	(30,211)	(48,545)	(60,936)
Adjusted Net Income Excluding Tax Adjustments	$ 67,800	$ 81,679	$ 131,249	$ 164,752
Tax Adjustments (3)	$ 11,038	$ 15,977	$ 21,530	$ 30,790
Adjusted Net Income Excluding Tax Adjustments Per Share	$ 0.84	$ 0.99	$ 1.62	$ 2.01
Tax Adjustments Per Share (3)	$ 0.14	$ 0.19	$ 0.27	$ 0.37
Adjusted Shares Outstanding	81,076,423	82,312,683	81,020,580	82,123,532
Calculation of Adjusted Shares Outstanding:				
Weighted average shares of Class A common stock outstanding—basic (4)	55,710,666	65,389,642	53,965,045	65,360,667
Adjustments:				
Weighted average incremental shares of Class A common stock related to stock options and restricted stock units (5)	452,156	206,735	453,475	321,414
Weighted average Focus LLC common units outstanding (6)	16,537,585	12,175,282	18,121,604	11,900,077
Weighted average Focus LLC restricted common units outstanding (7)	71,374	193,625	71,374	193,625
Weighted average common unit equivalent of Focus LLC incentive units outstanding (8)	8,304,642	4,347,399	8,409,082	4,347,749
Adjusted Shares Outstanding	81,076,423	82,312,683	81,020,580	82,123,532

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

(2) The pro forma income tax rate of 27% reflects the estimated U.S. federal, state, local and foreign income tax rates applicable to corporations in the jurisdictions we conduct business.

(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 June 30, 2022, estimated Tax Adjustments from intangible asset related income tax benefits from closed acquisitions based on a pro forma 27% income tax rate for the next 12 months is $63.2 million.

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

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

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

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

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

Adjusted Free Cash Flow and Cash Flow Available for Capital Allocation

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

Set forth below is a reconciliation of net cash provided by operating activities to Adjusted Free Cash Flow and Cash Flow Available for Capital Allocation for the trailing 4-quarters ended June 30, 2021 and 2022:

	Trailing 4-Quarters Ended June 30,	
	2021	2022
	(in thousands)	
Net cash provided by operating activities	$ 298,943	$ 291,250
Purchase of fixed assets	(17,720)	(13,129)
Distributions for unitholders	(33,922)	(29,159)
Payments under tax receivable agreements	(4,423)	(3,856)
Adjusted Free Cash Flow	$ 242,878	$ 245,106
Portion of contingent consideration paid included in operating activities (1)	23,081	78,105
Cash Flow Available for Capital Allocation (2)	$ 265,959	$ 323,211

(1) A portion of contingent consideration paid is classified as operating cash outflows in accordance with GAAP, with the balance reflected in investing and financing cash outflows. Contingent consideration paid classified as operating cash outflows for each of the trailing 4-quarters ended June 30, 2021 was $3.8 million, $2.4 million, $5.3 million and $11.6 million, respectively, totaling $23.1 million for the trailing 4-quarters ended June 30, 2021. Contingent consideration paid classified as operating cash outflows for each of the trailing 4-quarters ended June 30, 2022 was $20.4 million, $16.4 million, $23.1 million and $18.2 million, respectively, totaling $78.1 million for the trailing 4-quarters ended June 30, 2022.

(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.

Supplemental Information

Economic Ownership

The following table provides supplemental information regarding the economic ownership of Focus Financial Partners, LLC as of June 30, 2022:

	June 30, 2022	
Economic Ownership of Focus Financial Partners, LLC Interests:	**Interest**	**%**
Focus Financial Partners Inc.	65,442,389	79.8%
Non-Controlling Interests (1)	16,575,128	20.2%
Total	82,017,517	100.0%

(1) Includes 4,347,399 Focus LLC common units issuable upon conversion of the outstanding 16,202,274 vested and unvested incentive units (assuming vesting of the unvested incentive units and a June 30, 2022 period end value of the Focus LLC common units equal to $34.06) and includes 193,625 Focus LLC restricted common units.

Class A and Class B Common Stock Outstanding

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

	Number of Shares Outstanding at June 30, 2022	Number of Shares Outstanding at August 1, 2022
Class A	65,442,389	65,448,434
Class B	12,034,104	12,035,266

Incentive Units

The following table provides supplemental information regarding the outstanding Focus LLC vested and unvested Incentive Units ("IUs") at June 30, 2022. The vested IUs in future periods can be exchanged into shares of Class A common stock (after conversion into a number of Focus LLC common units that takes into account the then-current value of common units and such IUs aggregate hurdle amount), and therefore, the Company calculates the Class A common stock equivalent of such IUs for purposes of calculating per share data. The period-end share price of the Company's Class A common stock is used to calculate the intrinsic value of the outstanding Focus LLC IUs in order to calculate a Focus LLC common unit equivalent of the Focus LLC IUs.

Hurdle Rates	Number Outstanding
$ 1.42	421
$ 5.50	798
$ 6.00	386
$ 7.00	1,081
$ 9.00	708,107
$ 11.00	813,001
$ 12.00	513,043
$ 13.00	540,000
$ 14.00	10,098
$ 16.00	45,191
$ 17.00	20,000
$ 19.00	527,928
$ 21.00	3,045,236
$ 22.00	821,417
$ 23.00	524,828
$ 26.26	12,500
$ 27.00	12,484
$ 27.90	1,929,424
$ 28.50	1,440,230
$ 30.48	30,000
$ 33.00	3,617,500
$ 36.64	30,000
$ 43.07	60,000
$ 43.50	30,000
$ 44.71	806,324
$ 58.50	662,277
	16,202,274

Exhibit 99.2

FOCUS®
FINANCIAL PARTNERS

Focus Financial Partners Inc.

Second Quarter 2022
Earnings Release Supplement

August 4, 2022

VISION *for* VISIONARIES.

Disclaimer

FOCUS® FINANCIAL PARTNERS

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

We analyze our performance using Adjusted Net Income Excluding Tax Adjustments and Adjusted Net Income Excluding Tax Adjustments Per Share. Adjusted Net Income Excluding Tax Adjustments and Adjusted Net Income Excluding Tax Adjustments Per Share are non-GAAP measures. We define Adjusted Net Income Excluding Tax Adjustments as net income (loss) excluding income tax expense, amortization of debt financing costs, intangible amortization and impairments, if any, non-cash equity compensation expense, non-cash changes in fair value of estimated contingent consideration, loss on extinguishment of borrowings, impairment of equity method investment, management contract buyout, other one-time transaction expenses and secondary offering expenses, if any. The calculation of Adjusted Net Income Excluding Tax Adjustments also includes adjustments to reflect a pro forma 27% income tax rate reflecting the estimated U.S. federal, state, local and foreign income tax rates applicable to corporations in the jurisdictions we conduct business.

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.

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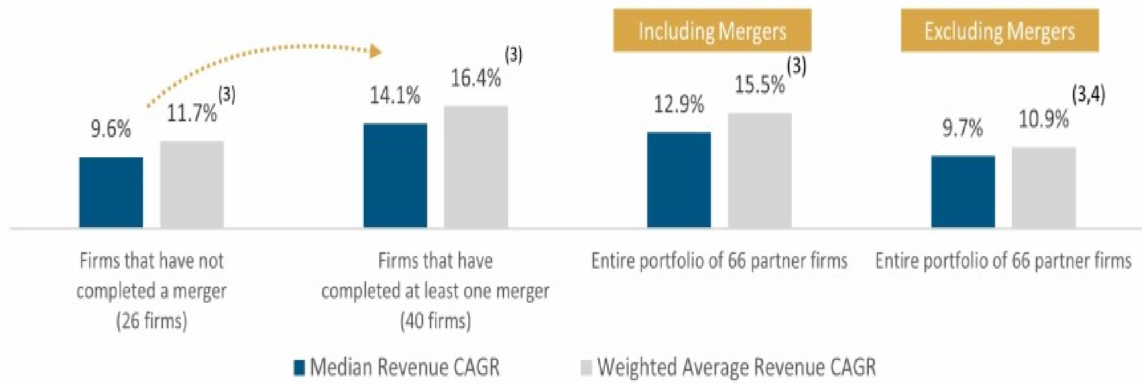
Key Investor Questions on Q2 2022

Key Investor Questions on Q2 2022

FOCUS FINANCIAL PARTNERS

1 What was your organic growth?

Revenue CAGR Since Inception[1,2]



2 How correlated were your Q2 revenues to the markets?

(Market correlated revenues)

23.3%	Non-market correlated	67.2%	Billed in advance
76.7%	Market correlated	32.8%	Billed in arrears

Highly diversified revenue stream

3 What was your YTD M&A activity given the volatile macro backdrop?

3	11	~$19m
New partner firms[5]	Mergers[5]	Acquired Base Earnings[5,6]

1. As of June 30, 2022.
2. Inception means first full four quarters as a Focus partner firm and reflects activity through all market cycles during that time. The analysis includes the 66 firms since inception that have been with us for at least 2 years as of June 30, 2022 in order to determine a baseline revenue growth rate. If Focus partner firms merged together, their financials have been combined.
3. The weightings are based on the June 30, 2022 LTM revenues of the respective partner firms.
4. Excluded the first full annual revenue from all the mergers made by our partner firm portfolio since joining Focus.
5. Includes closed and signed and pending close transactions as of August 4, 2022.
6. The terms of our management agreements entitle the management companies to management fees typically consisting of all future EBPC of the acquired wealth management firm in excess of Base Earnings up to Target Earnings, plus a percentage of any EBPC in excess of Target Earnings. Acquired Base Earnings is equal to our preferred position in Base Earnings or comparable measures.

Key Investor Questions on Q2 2022

FOCUS FINANCIAL PARTNERS

4 How sensitive are your earnings to rising interest rates?

Q2'22 Interest Expense Sensitivity to LIBOR/SOFR[1]		
Actual Q2'22 Reported Interest Expense (including impact of hedges)		
$19.9M		
Pre-tax Impact to Q2'22 Interest Expense if 30-day LIBOR/SOFR was higher by:		
200 bps	250 bps	300 bps
+$7.9M	+$9.9M	+$11.9M

5 What is your Net Leverage Ratio[2]?

3.9x
Q2'22 Actual

~4.0x
Q3'22 Outlook

3.5x – 4.5x
Target

6 How have your cash flows trended?

7 What is the value of your tax shield?

$2.7+ billion
cumulative unamortized gross tax shield[5,6]

~$743 million
economic benefit[7]

~$479 million
net present value[8]

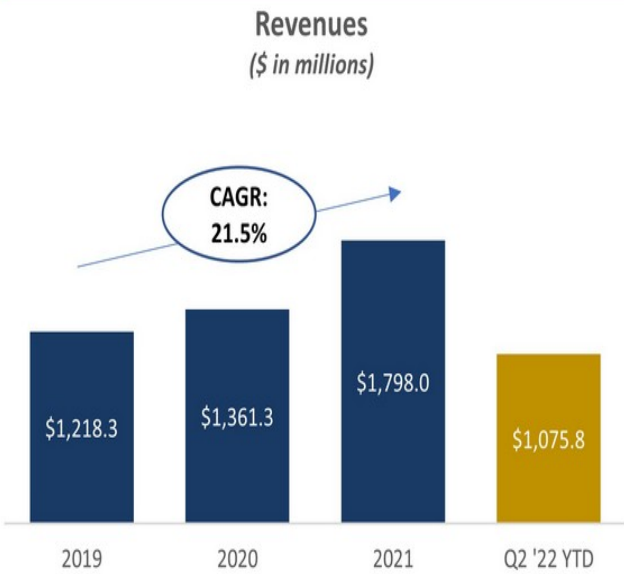
~$5.82
per share[8,9]

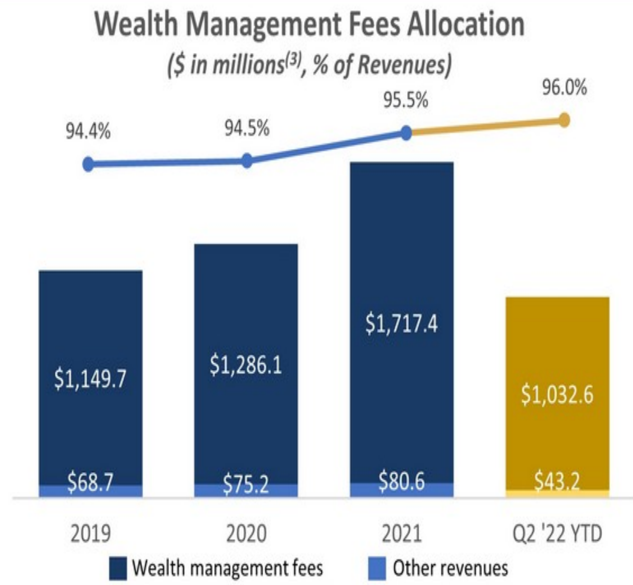
1. Analysis shows the actual interest expense for Q2'22, inclusive of the Company's Term Loans, Revolver borrowings and the impact of the three cash flow hedges which effectively convert the LIBOR variable interest rate on the first $850 million of Term Loan borrowings to a fixed weighted average interest rate of 62 basis points. The analysis then assumes that 30-day LIBOR and SOFR rates were either 200bps, 250bps or 300bps higher throughout the entire period.
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.
4. Net cash provided by operating activities for the three months ended March 31, 2021 and 2022, respectively, include cash outflows related to due to affiliates (i.e. management fees). A portion of management fees were paid in Q1 post the issuance of the respective annual audit included in our Form 10-K.
5. 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).
6. As of June 30, 2022.
7. Based on 27% pro forma tax rate.
8. Based on assumed 8% discount rate.
9. Based on Q2 2022 Adjusted Shares Outstanding. See Appendix for reconciliation of number of shares.

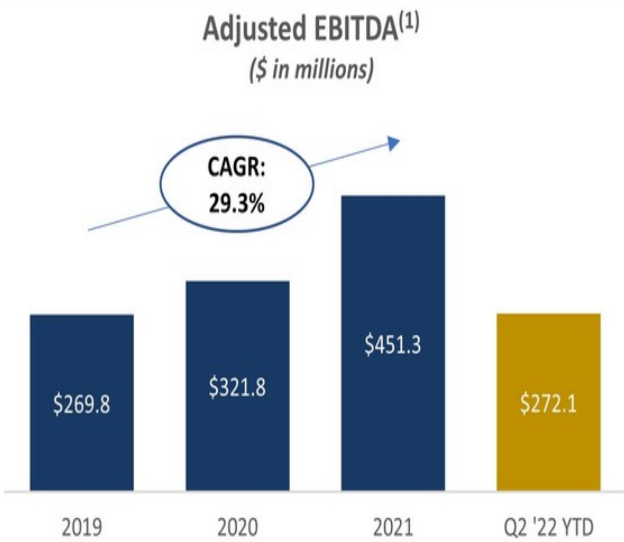
Selected Growth Trends

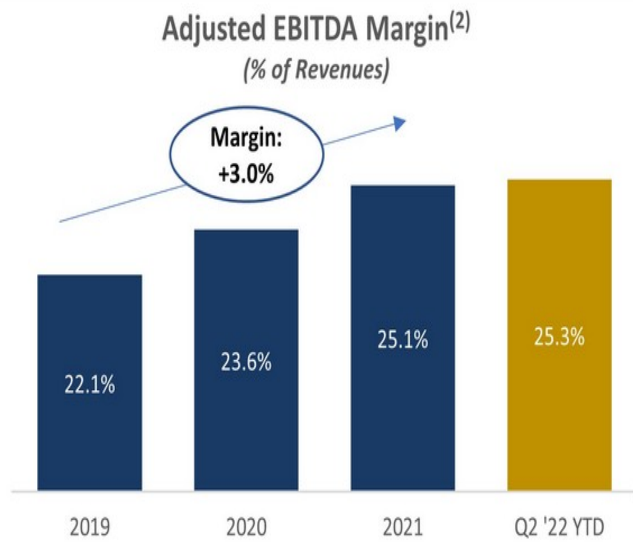
Strong and Sustained Revenue and Adjusted EBITDA Growth...

FOCUS FINANCIAL PARTNERS





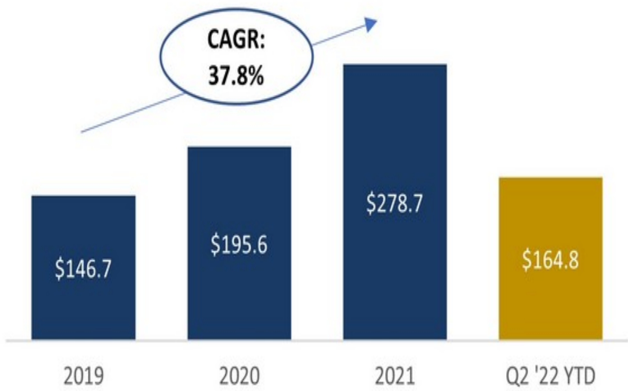




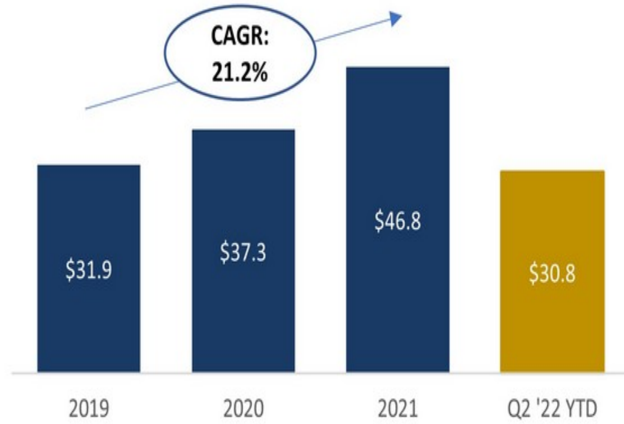
1. Non-GAAP financial measure. See Appendix for reconciliations.
2. Calculated as Adjusted EBITDA divided by revenues.
3. The sum of wealth management fees and other revenues as presented in this chart may not agree to total revenues as presented due to rounding.

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

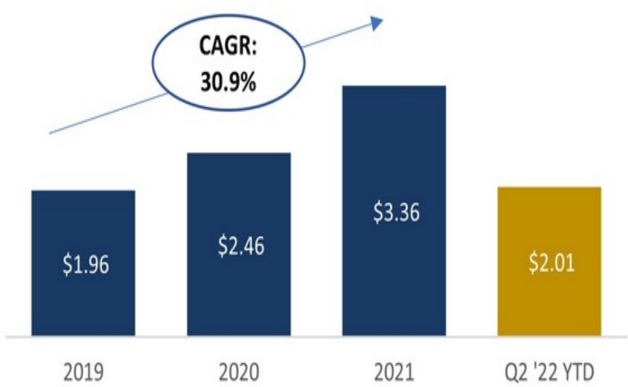
Adjusted Net Income ("ANI") Excluding Tax Adjustments[1]
($ in millions)



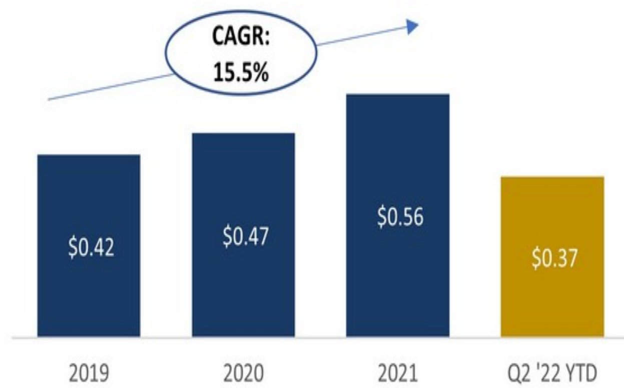
Tax Adjustments[2]
($ in millions)



ANI Excluding Tax Adjustments Per Share[1]



Tax Adjustments Per Share[1,2]

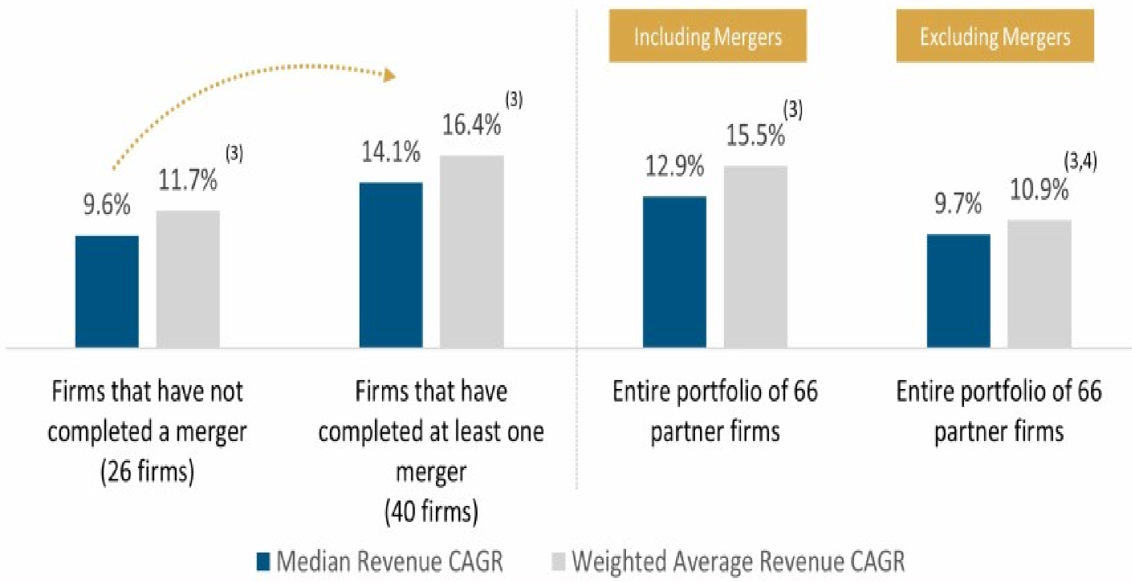


1. Non-GAAP financial measure. See Appendix for reconciliations.
2. Tax Adjustments represent the tax benefits of intangible assets, including goodwill, associated with deductions allowed for tax amortization of intangible assets in the respective periods based on a pro forma 27% income tax rate. Such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

Our Organic Growth is Strong, Including and Excluding Mergers

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

Revenue CAGR Since Inception[1,2]

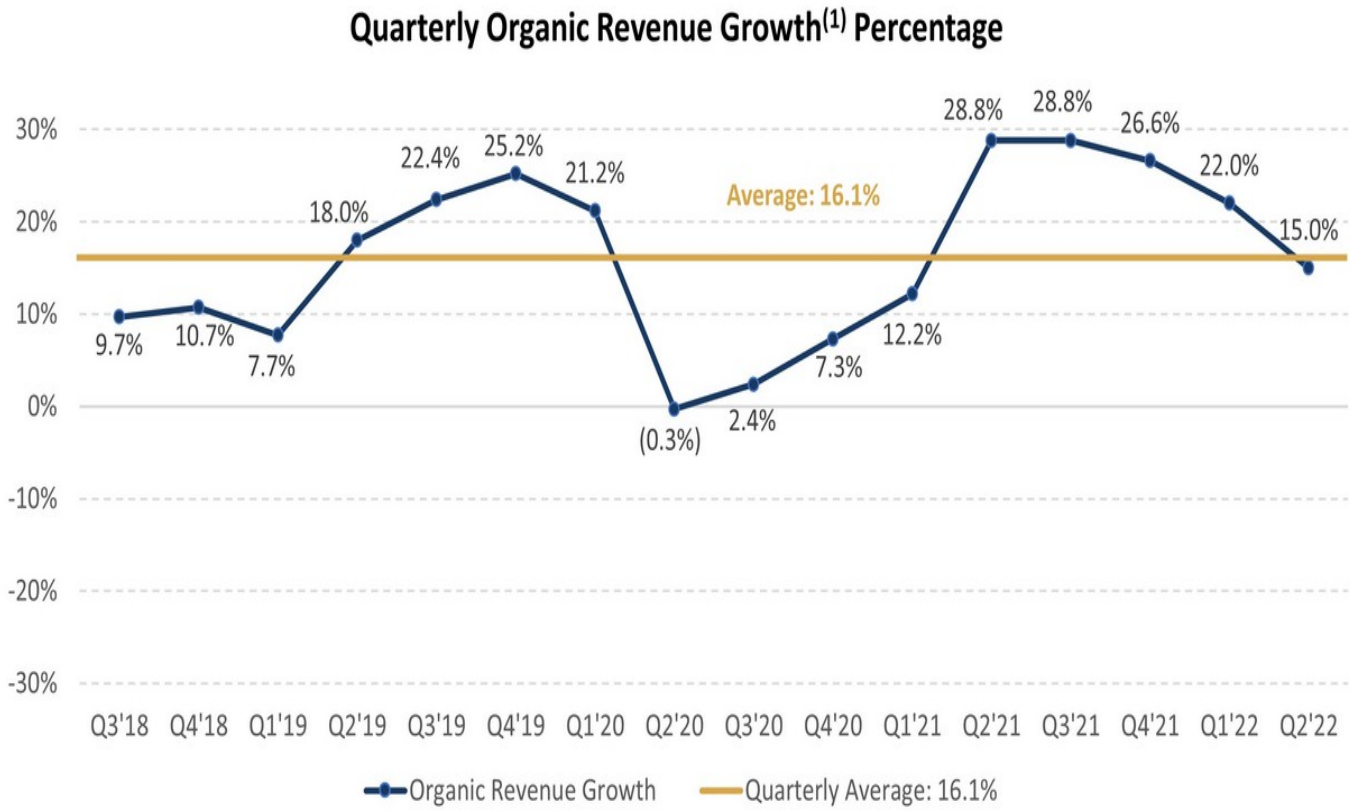


66 partner firms[5] represented ~89% of our Q2 2022 LTM revenues

1. As of June 30, 2022.
2. Inception means first full four quarters as a Focus partner firm and reflects activity through all market cycles during that time. The analysis includes the 66 firms since inception that have been with us for at least 2 years as of June 30, 2022 in order to determine a baseline revenue growth rate. If Focus partner firms merged together, their financials have been combined.
3. The weightings are based on the June 30, 2022 LTM revenues of the respective partner firms.
4. Excluded the first full annual revenue from all the mergers made by our partner firm portfolio since joining Focus.
5. The 66 partner firms have been with Focus for a weighted average of ~7.5 years and a median period of ~6 years.

Our Average Organic Revenue Growth Demonstrates Partner Firm Strength and Resiliency

- Over the last 16 quarters, average organic growth has been 16.1%



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

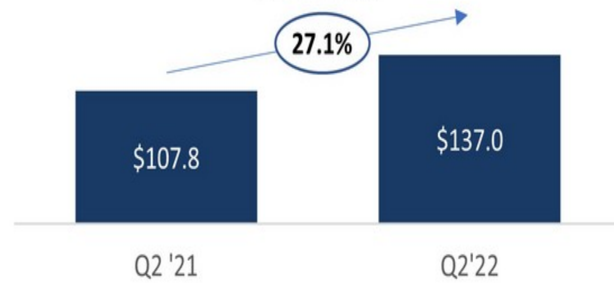
Second Quarter 2022 Recap

Robust Year-Over-Year Financial Performance Reflects Sustained Momentum

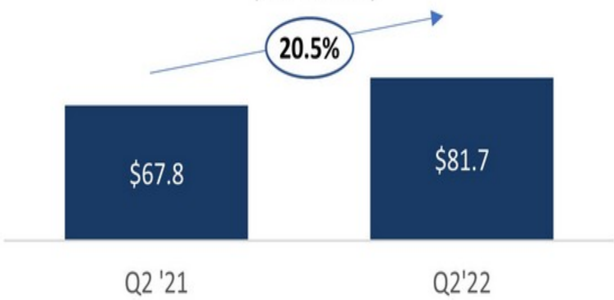
FOCUS
FINANCIAL PARTNERS

Revenues
($ in millions)

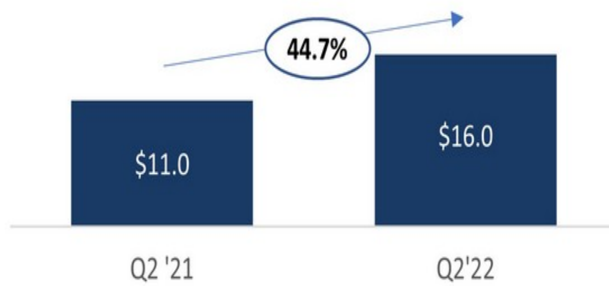
Adjusted EBITDA(1)
($ in millions)



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

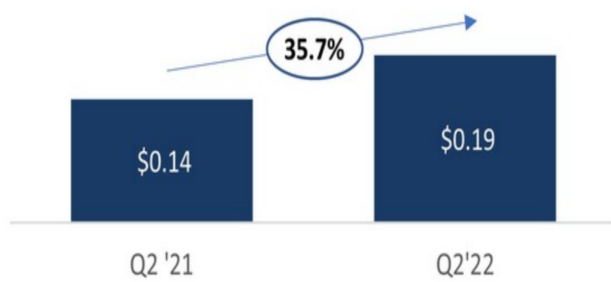


Tax Adjustments(2)
($ in millions)



ANI Excluding Tax Adjustments Per Share(1)

Tax Adjustments Per Share(1)



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

Q2 2022 Financial Snapshot

FOCUS® FINANCIAL PARTNERS

Revenues	▪ **Revenues:** $539.2 million, +26.8% year-over-year growth ▪ **Organic revenue growth rate:**(1) +15.0% year-over-year
Adjusted EBITDA	▪ **Adjusted EBITDA:**(2) $137.0 million, +27.1% year-over-year growth ▪ **Adjusted EBITDA margin:**(3) 25.4%
Net Income and Per Share Amounts	▪ **GAAP net income:** $49.3 million, compared to $5.2 million in Q2 2021 ▪ **GAAP basic and diluted net income per share attributable to common shareholders:** $0.51 and $0.50 ▪ **Adjusted Net Income Excluding Tax Adjustments:**(2) $81.7 million, +20.5% year-over-year growth ▪ **Tax Adjustments:**(4) $16.0 million, +44.7% year-over-year growth ▪ **Adjusted Net Income Excluding Tax Adjustments Per Share:**(2) $0.99, +17.9% year-over-year growth ▪ **Tax Adjustments Per Share:**(2) $0.19, +35.7% year-over-year growth
Net Leverage & Cash Flow	▪ **Net Leverage Ratio:**(5) 3.90x ▪ **Net cash provided by operating activities:** $291.3 million (LTM Q2 2022), -2.6% year-over-year ▪ **Cash Flow Available for Capital Allocation:**(2) $323.2 million (LTM Q2 2022), +21.5% year-over-year ▪ **Unamortized gross tax shield** at June 30, 2022 of $2.7+ billion ▪ **No Tax Receivable Agreement payments**

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

We Have Multiple Sources of Revenue Diversification

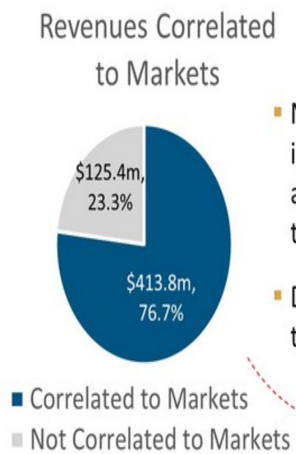
Q2 2022 Revenues by Source

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

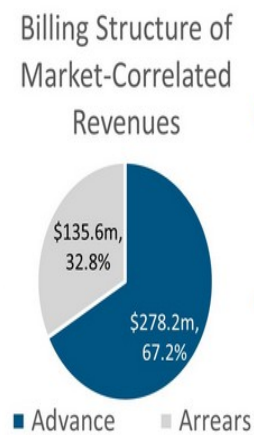
Q2 2022 Revenues by Region

- International sources provide growing revenue diversification
- 8 partner firms across Australia, Canada and the UK, together with partner firm Connectus, are platforms for growth
- Our new Switzerland-based partner firm Octogone (with over $20m in estimated annualized revenue) closed on July 1, 2022

Q2 2022 Revenues Correlated to Markets



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

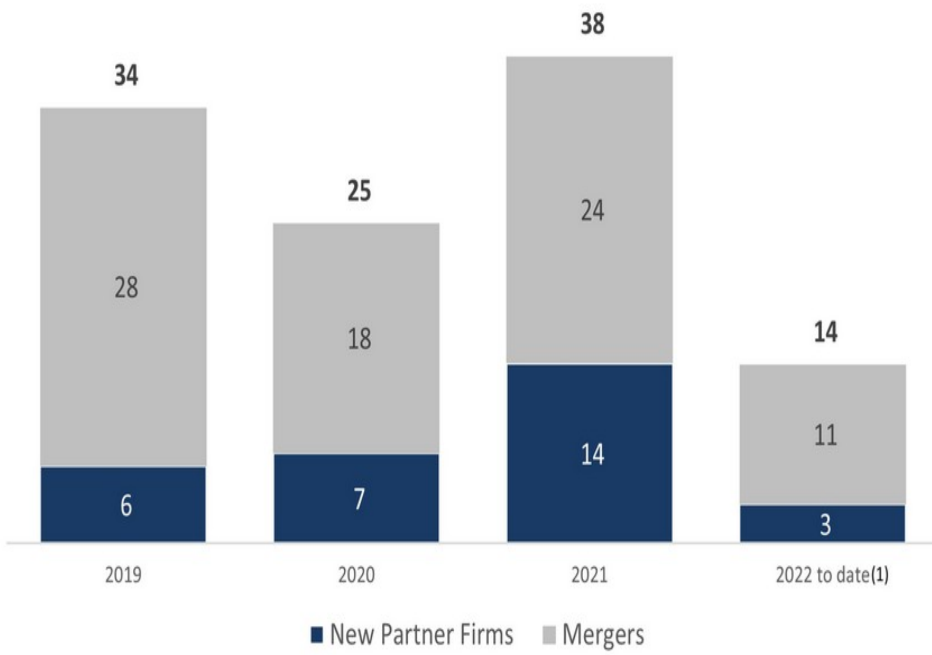


- Advance billing structure used by majority of partner firms gives high visibility into subsequent quarter
- Diversification of billing practices across 85 partner firms is an embedded revenue hedge

Continuing a Trend of Strong M&A Volume

FOCUS
FINANCIAL PARTNERS

Annual M&A Transactions Since 2019



85+
Partner Firms

5,000+
Partners and Employees

250+
M&A Transactions Since 2006

1. Includes signed and pending close transactions

2022 M&A Activity is Robust as Our Partner Firms Execute Mergers to Grow

FOCUS FINANCIAL PARTNERS

2022 YTD Highlights

14 closed or pending transactions to date:

- 3 new partner firms
- 11 mergers, including 1 Connectus merger

Quarter	Type	Firm Name	Acquiring Partner Firm	Closing Date	Primary Office Location
Q3 2022	Partner Firm Acquisitions	1. Icon Wealth Partners		**8/1/2022**	Houston, TX
		2. Octogone Holding		**7/1/2022**	Geneva, Switzerland
	Mergers	1. Grecu Capital Management	Buckingham Strategic Wealth	**7/1/2022**	Bend, OR
		2. Bergman Investment Management	Buckingham Strategic Wealth	**7/1/2022**	San Mateo, CA
		3. Samson Wealth Management	XML	**7/1/2022**	Fort Washington, PA
		4. Ross Bennet Smith	NKSFB	**7/1/2022**	London, United Kingdom
		5. Skinner	Cardinal Point	**Q3***	Bahamas
		6. Strategic Capital Advisers	Transform Wealth	**Q3***	Denver, CO
Q2 2022	Partner Firm Acquisitions	1. Azimuth Capital Management		**4/1/2022**	Bloomfield Hills, MI
	Mergers	1. Mid-Continent Capital	Connectus	**4/1/2022**	Chicago, IL
		2. Lumia Wealth	Buckingham Strategic Wealth	**4/1/2022**	Overland Park, KS
		3. Holloway Wealth Management	ARS Wealth Advisors	**5/1/2022**	Gainesville, FL
		4. Henry & Horne Wealth Management	InterOcean Capital	**6/1/2022**	Scottsdale, AZ
Q1 2022	Mergers	1. Harris, Saunders & Leach	The Colony Group	2/4/2022	Washington, DC

* Signed and pending close

New Partner Firms Further Diversify Our Partnership (1)

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FINANCIAL PARTNERS

Azimuth Capital Management	Octogone Holding	Icon Wealth Partners
Closed April 1, 2022 *~$3.5 Billion in Client Assets* *Fiduciary Wealth Manager* *Bloomfield Hills, MI*	*Closed July 1, 2022* *~$4.4 Billion in Client Assets* *Fiduciary Wealth Manager* *Geneva, Switzerland*	*Closed August 1, 2022* *~$1.6 Billion in Client Assets* *Fiduciary Wealth Manager* *Houston, TX*
➢ UHNW/HNW client base ➢ Well-established business known for its investment management capabilities and continuity of its dynamic management team ➢ Well-positioned to expand market share in the Midwest	➢ UHNW client base in Europe, the US, Latin America and the Middle East ➢ One of the largest and most elite wealth management firms in Switzerland ➢ First partner firm in Switzerland, an attractive and strategic market ➢ Platform to benefit from regulatory trends in Switzerland and to continue geographical diversification	➢ HNW client base ➢ Recognized as one of Texas' fastest-growing RIAs ➢ Expands Focus' presence in growing Texas wealth management market

Estimated Annual Revenues: ~**$50 million**(1)(2)
Estimated Annual Acquired Base Earnings: ~**$19 million**(3)
Weighted Average '19-'21 Revenue CAGR: >**25%** (1)(2)

1. We have over 85 partner firms with headquarters located across the United States as well as the United Kingdom, Canada, Australia and Switzerland. This data may not be representative of our other partner firms and is not necessarily indicative of these firms' future performance.
2. Historical and estimated data based on the unaudited pre-acquisition financial statements of the acquired companies prepared by the acquired companies prior to Focus acquisition. Such financial statements may not have been prepared in accordance with GAAP or pursuant to the rules and regulations of the SEC and may not be comparable to the presentation of such data after being acquired by Focus.
3. 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.

Third Quarter 2022 Outlook

Q3 2022 Outlook

FOCUS FINANCIAL PARTNERS

Revenues

- Estimated revenues of ~$505 to $515 million.
- Estimated YOY organic revenue growth of ~0% to ~2%[1].
- Estimated revenue attributable to new partner firm closing: ~$7.0 million.*

**Relates to the closings of Octogone and Icon. Annualized revenue contribution estimated to be over $30 million.*

Adjusted EBITDA

- Estimated Adjusted EBITDA[2] margin[3] of ~24%.
- Estimated Adjusted EBITDA[2] attributable to new partner firm closings: ~$1.7 million.
- Estimated Annualized Acquired Base Earnings[4]: ~$7.8 million.

Tax Adjustments & Other

- As of June 30, 2022, estimated next twelve months Tax Adjustments[5] of ~$63.2 million.
- No Tax Receivable Agreement payments.

Net Leverage Ratio and Cash Flow

- Estimated Net Leverage Ratio[6] ~4.0x.
- Estimated cash earnout payments of ~$50 million in Q3.

1. Organic revenue growth represents the period-over-period growth in revenue related to partner firms, including growth related to acquisitions of wealth management practices and customer relationships by our partner firms, including Connectus, and partner firms that have merged, that for the entire periods presented, are included in our consolidated statements of operations for each of the entire periods presented. We believe these growth statistics are useful in that they present full period revenue growth of partner firms on a "same store" basis exclusive of the effect of the partial period results of partner firms that are acquired during the comparable periods.
2. Non-GAAP financial measure. The Company is not providing a quantitative reconciliation of its forward-looking estimate of Adjusted EBITDA or Adjusted EBITDA margin to its most directly comparable GAAP financial measure because such GAAP measure, which is not included in the Company's outlook, is difficult to reliably predict or estimate without unreasonable effort due to its dependency on future uncertainties such as the items noted under the heading "Special Note Regarding Forward-Looking Statements." In addition, we believe such a reconciliation could imply a degree of precision that might be confusing or misleading to investors.
3. Calculated as Adjusted EBITDA divided by revenues.
4. The terms of our management agreements entitle the management companies to management fees typically consisting of all future EBPC of the acquired wealth management firm in excess of Base Earnings up to Target Earnings, plus a percentage of any EBPC in excess of Target Earnings. Acquired Base Earnings is equal to our collective preferred position in Base Earnings or comparable measures. We are entitled to receive these earnings notwithstanding any earnings that we are entitled to receive in excess of Target Earnings. Base Earnings may change in future periods for various business or contractual matters.
5. See note 4 on page 14 for additional information regarding Tax Adjustments. Based on a pro forma 27.0% tax rate.
6. Net Leverage Ratio represents the First Lien Leverage Ratio (as defined in the Credit Facility), and means the ratio of amounts outstanding under the First Lien Term Loan and First Lien Revolver plus other outstanding debt obligations secured by a lien on the assets of Focus LLC (excluding letters of credit other than unpaid drawings thereunder) minus unrestricted cash and cash equivalents to Consolidated EBITDA (as defined in the Credit Facility).

Credit Profile & Interest Rate Sensitivity

Interest Rate Sensitivity

FOCUS FINANCIAL PARTNERS

Q2'22 Interest Expense Sensitivity to LIBOR/SOFR(1)

Actual Q2'22 Reported Interest Expense (including impact of hedges)	Pre-tax Impact to Q2'22 Interest Expense if 30-day LIBOR/SOFR was higher by:		
	200 bps	250 bps	300 bps
$19.9M	+$7.9M	+$9.9M	+$11.9M

Credit Overview *(as of June 30, 2022)*

	First Lien Term Loan – Tranche A	First Lien Term Loan – Tranche B	First Lien Revolver
Amount	$1,602.6 million	$792.4 million	$100 million drawn ($650 million facility size)
Maturity	July 2024	June 2028	June 2024
Applicable Margin	$850 million fixed via hedges at 0.62% + 200 bps spread Remainder of $752.6 million variable at LIBOR +200 bps spread	LIBOR +250 bps spread	SOFR+175 bps on drawn 50 bps undrawn
LIBOR Floor	0.00%	0.50%	0.00%
Amortization	1.00% / $16.7 million per annum	1.00% / $8.0 million per annum	n/a
Net Leverage Ratio(2) Covenant	6.25x		

1. Analysis shows the actual interest expense for Q2'22, inclusive of the Company's Term Loans, Revolver borrowings and the impact of the three cash flow hedges which effectively convert the LIBOR variable interest rate on the first $850 million of Term Loan borrowings to a fixed weighted average interest rate of 62 basis points. The analysis then assumes that 30-day LIBOR and SOFR rates were either 200bps, 250bps or 300bps higher throughout the entire period.
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).

Strong Credit and Liquidity Profile

As of June 30, 2022:

Low debt cost	~3.4% weighted average interest rate on funded borrowings
Limited duration risk	~2 years remaining to maturity for Tranche A Term Loan (July 2024) ~6 years remaining to maturity for Tranche B Term Loan (June 2028) ~2 years remaining to maturity for Revolver (June 2024)
Ample liquidity	~$221 million cash ~$540 million available revolver capacity ~$323 million LTM Cash Flow Available for Capital Allocation[1]
Downside protection	95%+ fee-based and recurring revenues, variable management fees and earnings preference protect cash flows

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

Earnings Preference Provides Strong Downside Earnings Protection

- Reflects one-quarter impact to revenues and Covenant EBITDA(1)(2)
- Assumes all other revenue sources and expenses remain unchanged except for management fees
- In the event of a multi-quarter downturn
  - Partner firms would further reduce their cost structure
  - M&A activity would moderate
  - Cash flow would be available for debt repayment
- Significant headroom on covenant
  - Q2 Covenant EBITDA-LTM(2) would need to drop to $363.8 million, or decline by 38%, to reach 6.25x net leverage ratio covenant

Sensitivity Analysis
(Illustrative Only)

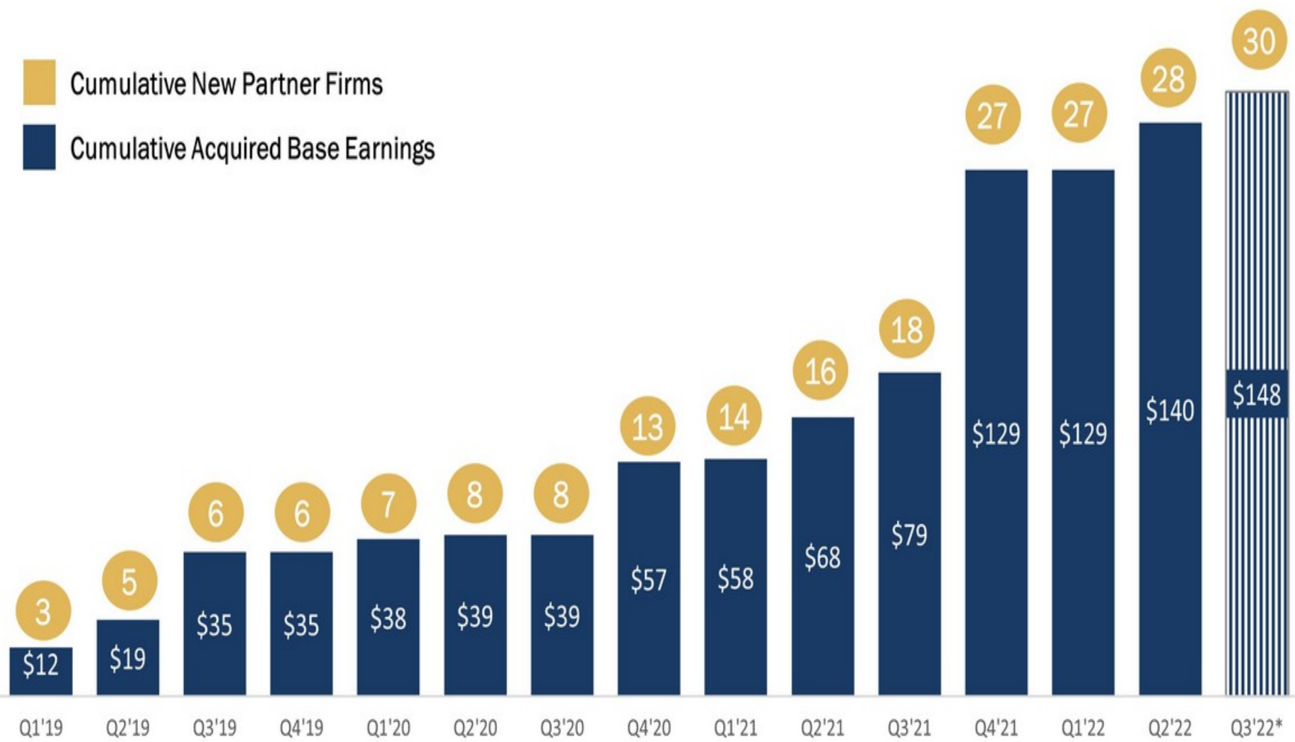
Equity market decline		**(20)%**	**(40)%**
Assumed Client Portfolio Allocation to Equities		50%	50%
Decline in market-correlated revenues(1)		**(10)%**	**(20)%**
($ in millions)	**Reported**		
Q2'22 Market-Correlated Revenues	$ 413.8	$ 372.4	$ 331.0
Q2'22 Non-Correlated Revenues	$ 125.4	$ 125.4	$ 125.4
Total Revenue - Q2'22	$ 539.2	$ 497.8	$ 456.4
Covenant EBITDA(2) - LTM	$ 583.2	$ 560.8	$ 539.0
Net Debt(3)	$ 2,273.9	$ 2,273.9	$ 2,273.9
Net Leverage Ratio(2)	3.90x	4.05x	4.22x
Change from Q2 Reported		**0.15x**	**0.32x**

1. The analysis depicts the impact on our Net Leverage Ratio (as defined in the Credit Facility) resulting from a hypothetical change in Q2 market correlated revenues only. All other revenues/expenses were kept constant except management fees, which are tied to the profitability of our partner firms.
2. Net leverage ratio represents the First Lien Leverage Ratio (as defined in the Credit Facility), and means the ratio of amounts outstanding under the First Lien Term Loan and First Lien Revolver plus other outstanding debt obligations secured by a lien on the assets of Focus LLC (excluding letters of credit other than unpaid drawings thereunder) minus unrestricted cash and cash equivalents to Consolidated EBITDA (as defined in the Credit Facility), which in the above table is referred to as "Covenant EBITDA."
3. Net Debt represents amounts outstanding under the First Lien Term Loan and First Lien Revolver plus other outstanding debt obligations secured by a lien on the assets of Focus LLC (excluding letters of credit other than unpaid drawings thereunder) minus unrestricted cash and cash equivalents.
4. The terms of our management agreements entitle the management companies to management fees typically consisting of all future EBPC of the acquired wealth management firm in excess of Base Earnings up to Target Earnings, plus a percentage of any EBPC in excess of Target Earnings. Acquired Base Earnings is equal to our collective preferred position in Base Earnings or comparable measures. We are entitled to receive these earnings notwithstanding any earnings that we are entitled to receive in excess of Target Earnings. Base Earnings may change in future periods for various business or contractual matters.

Supported by Substantial Acquired Base Earnings(1)

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

($ in Millions)



** Includes new partner firms through August 4, 2022*

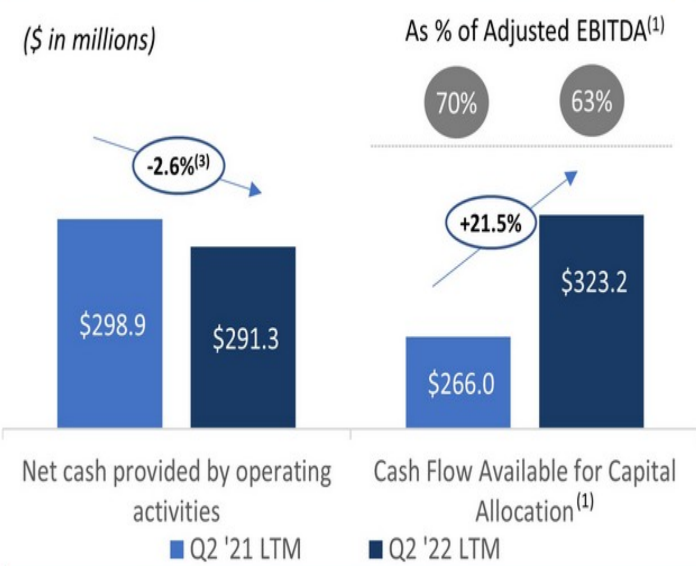
1. The terms of our management agreements entitle the management companies to management fees typically consisting of all future EBPC of the acquired wealth management firm in excess of Base Earnings up to Target Earnings, plus a percentage of any EBPC in excess of Target Earnings. Acquired Base Earnings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

FOCUS FINANCIAL PARTNERS

Cash Flows

Strong and Sustained Growth in Cash Flows Continued in Q2

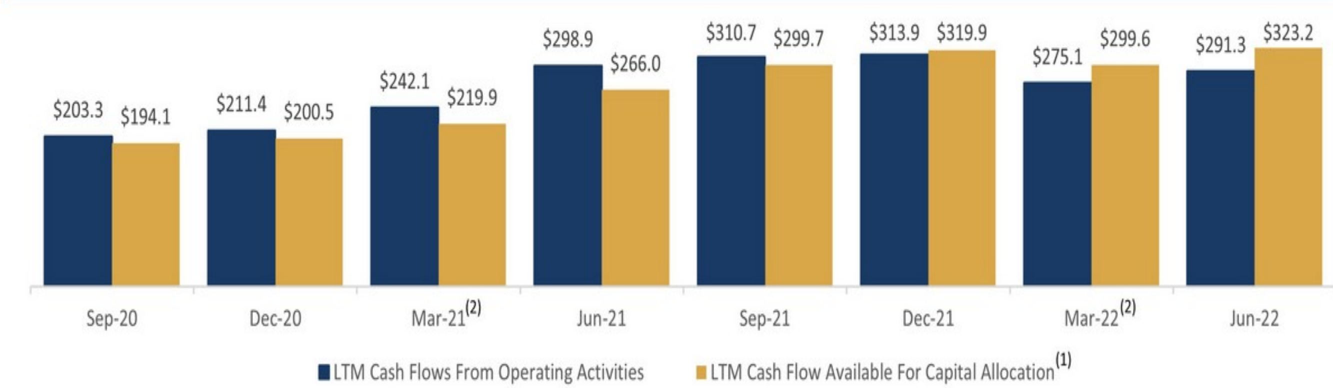
Cash Flow Snapshot



Q3 2022 Supplemental Cash Flow Disclosures

- Q3 2022 estimated cash earnouts of ~$50 million
- No Tax Receivable Agreements ("TRA") payments in Q3 2022
- Q3 2022 required term loan amortization of ~$6.2 million
- Based on the terms of the Credit Facility, no excess cash flow payments required in 2022

Cash Flow Trend ($ in millions)

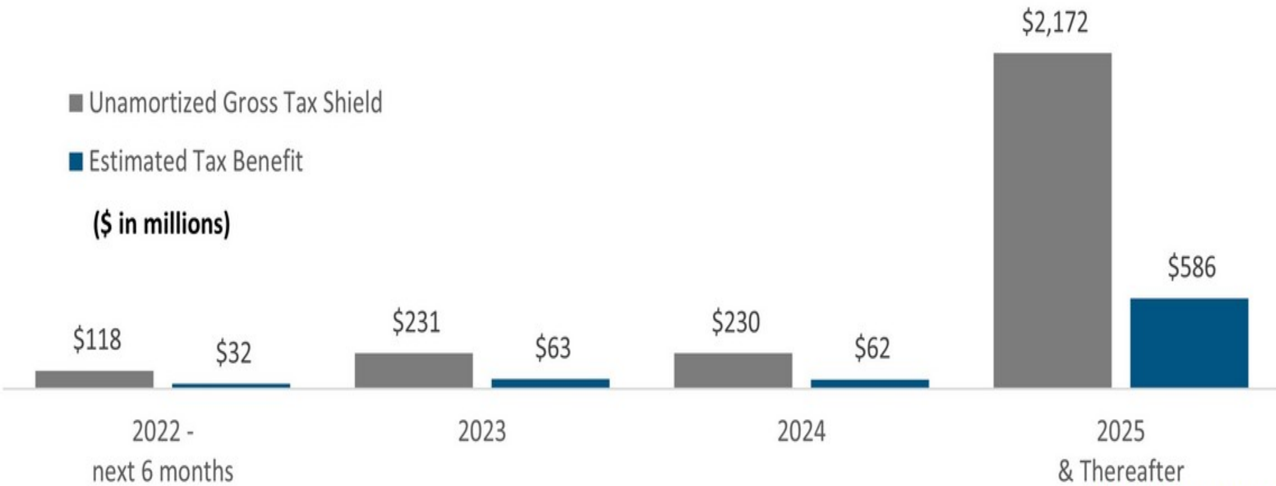


1. Non-GAAP financial measure. See Appendix for reconciliations.
2. Net cash provided by operating activities for the three months ended March 31, 2021 and 2022, respectively, include cash outflows related to due to affiliates (i.e. management fees). A portion of management fees were paid in Q1 post the issuance of the respective annual audit included in our Form 10-K.
3. Net cash provided by operating activities for Q2'22 LTM included $78.1m of payments relating to earnouts as compared to $23.1m for Q2'21 LTM.

Over $2.7 Billion Tax Shield Created by Tax Efficient Transaction Structure

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.



$2.7+ billion cumulative unamortized gross tax shield[1,2]

~$743 million economic benefit[3]

~$479 million net present value[4]

~$5.82 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 June 30, 2022.
3. Based on 27% pro forma tax rate.
4. Based on assumed 8% discount rate.
5. Based on Q2 2022 Adjusted Shares Outstanding. See Appendix for reconciliation of number of shares.

Appendix

Net Income (Loss) to Adjusted EBITDA Reconciliation

FOCUS FINANCIAL PARTNERS

				Three months ended		Six months ended	
($ in thousands)	2019	2020	2021	June 30, 2021	June 30, 2022	June 30, 2021	June 30, 2022
Net income (loss)	$ (12,025)	$ 48,965	$ 24,440	$ 5,174	$ 49,318	$ 7,656	$ 88,400
Interest income	(1,164)	(453)	(422)	(57)	(17)	(104)	(20)
Interest expense	58,291	41,658	55,001	10,829	**19,892**	21,350	**37,508**
Income tax expense	7,049	20,660	20,082	2,174	32,228	3,360	47,845
Amortization of debt financing costs	3,452	2,909	3,958	902	949	1,754	2,050
Intangible amortization	130,718	147,783	187,848	44,003	64,649	86,986	124,925
Depreciation and other amortization	10,675	12,451	14,625	3,606	3,805	7,213	7,438
Non-cash equity compensation expense	18,329	22,285	31,602	6,275	7,503	18,631	14,210
Non-cash changes in fair value of estimated contingent consideration	38,797	19,197	112,416	34,062	(42,757)	59,998	(51,742)
Loss on extinguishment of borrowings	–	6,094	–	–	–	–	–
Other expense, net	1,049	214	337	534	1,451	531	1,487
Impairment of equity method investment	11,749	–	–	–	–	–	–
Management contract buyout	1,428	–	–	–	–	–	–
Other one-time transaction expenses (1)	1,486	–	–	–	–	–	–
Secondary offering expenses (2)	–	–	1,409	287	–	1,409	–
Adjusted EBITDA	$ 269,834	$ 321,763	$ 451,296	$ 107,789	$ 137,021	$ 208,784	$ 272,101

1. Represents one-time expenses primarily related to an acquisition. Refer to our 10-Q and 10-K filings for additional details.
2. Relates to offering expenses associated with the March 2021 and June 2021 secondary offerings.

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

				Three months ended		Six months ended	
				June 30,	June 30,	June 30,	June 30,
($ in thousands, except share and per share data)	2019	2020	2021	2021	2022	2021	2022
Net income (loss)	$ (12,025)	$ 48,965	$ 24,440	$ 5,174	$ 49,318	$ 7,656	$ 88,400
Income tax expense	7,049	20,660	20,082	2,174	32,228	3,360	47,845
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Intangible amortization	130,718	147,783	187,848	44,003	64,649	86,986	124,925
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Non-cash changes in fair value of estimated contingent consideration	38,797	19,197	112,416	34,062	(42,757)	59,998	(51,742)
Loss on extinguishment of borrowings	–	6,094	–	–	–	–	–
Impairment of equity method investment	11,749	–	–	–	–	–	–
Management contract buyout	1,428	–	–	–	–	–	–
Other one-time transaction expenses (1)	1,486	–	–	–	–	–	–
Secondary offering expenses (2)	–	–	1,409	287	–	1,409	–
Subtotal	200,983	267,893	381,755	92,877	111,890	179,794	225,688
Pro forma income tax expense (27%) (3)	(54,265)	(72,331)	(103,074)	(25,077)	(30,211)	(48,545)	(60,936)
Adjusted Net Income Excluding Tax Adjustments	$ 146,718	$ 195,562	$ 278,681	$ 67,800	$ 81,679	$ 131,249	$ 164,752
Tax Adjustments (4)	$ 31,860	$ 37,254	$ 46,805	$ 11,038	$ 15,977	$ 21,530	$ 30,790
Adjusted Net Income Excluding Tax Adjustments Per Share	$ 1.96	$ 2.46	$ 3.36	$ 0.84	$ 0.99	$ 1.62	$ 2.01
Tax Adjustments Per Share (4)	$ 0.42	$ 0.47	$ 0.56	$ 0.14	$ 0.19	$ 0.27	$ 0.37
Adjusted Shares Outstanding	75,039,357	79,397,568	82,893,928	81,076,423	82,312,683	81,020,580	82,123,532
Calculation of Adjusted Shares Outstanding:							
Weighted average shares of Class A common stock outstanding–basic (5)	46,792,389	48,678,584	57,317,477	55,710,666	65,389,642	53,965,045	65,360,667
Adjustments:							
Weighted average incremental shares of Class A common stock related to stock options, unvested Class A common stock and restricted stock units (6)	20,428	118,029	513,674	452,156	206,735	453,475	321,414
Weighted average Focus LLC common units outstanding (7)	22,424,378	21,461,080	15,200,900	16,537,585	12,175,282	18,121,604	11,900,077
Weighted average Focus LLC restricted common units outstanding (8)	–	5,005	73,983	71,374	193,625	71,374	193,625
Weighted average common unit equivalent of Focus LLC incentive units outstanding (9)	5,802,162	9,134,870	9,787,894	8,304,642	4,347,399	8,409,082	4,347,749
Adjusted Shares Outstanding	75,039,357	79,397,568	82,893,928	81,076,423	82,312,683	81,020,580	82,123,532

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

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

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

1. Represents one-time expenses primarily related to an acquisition. Refer to our 10-Q and 10-K filings for additional details.
2. Relates to offering expenses associated with the March 2021 and June 2021 secondary offerings.
3. 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.
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 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 June 30, 2022, estimated Tax Adjustments from intangible asset related income tax benefits from closed acquisitions based on a pro forma 27% income tax rate for the next 12 months is $63.2 million.
5. Represents our GAAP weighted average Class A common stock outstanding – basic.
6. Represents the incremental shares related to stock options, unvested Class A common stock and restricted stock units as calculated under the treasury stock method.
7. Assumes that 100% of the Focus LLC common units, including contingently issuable Focus LLC common units, if any, were exchanged for Class A common stock.
8. Assumes that 100% of the Focus LLC restricted common units were exchanged for Class A common stock.
9. 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

FOCUS FINANCIAL PARTNERS

($ in thousands)	Three months ended Dec. 31, 2019	March 31, 2020 (3)	June 30, 2020	Sept. 30, 2020	Dec. 31, 2020	Mar. 31, 2021 (3)
Net cash provided by operating activities	$ 64,854	$ 3,382	$ 60,996	$ 74,089	$ 72,894	$ 34,128
Purchase of fixed assets	(4,714)	(3,188)	(2,759)	(6,744)	(6,658)	(2,835)
Distributions for unitholders	(5,416)	(4,567)	(3,076)	(8,122)	(6,692)	(9,055)
Payments under tax receivable agreements	–	–	–	–	–	(4,112)
Adjusted Free Cash Flow	$ 54,724	$ (4,373)	$ 55,161	$ 59,223	$ 59,544	$ 18,126
Portion of contingent consideration paid included in operating activities (1)	815	8,344	16,369	3,806	2,394	5,276
Cash Flow Available for Capital Allocation (2)	$ 55,539	$ 3,971	$ 71,530	$ 63,029	$ 61,938	$ 23,402

($ in thousands)	Three months ended June 30, 2021	Sept. 30, 2021	Dec. 31, 2021	Mar. 31, 2022 (3)	June 30, 2022	Trailing 4-Quarters ended June 30, 2021	June 30, 2022
Net cash provided by operating activities	$117,832	$ 85,888	$ 76,070	$ (4,642)	$133,934	$ 298,943	$ 291,250
Purchase of fixed assets	(1,483)	(2,242)	(4,458)	(3,232)	(3,197)	(17,720)	(13,129)
Distributions for unitholders	(10,053)	(7,283)	(5,920)	(8,209)	(7,747)	(33,922)	(29,159)
Payments under tax receivable agreements	(311)	–	–	(3,856)	–	(4,423)	(3,856)
Adjusted Free Cash Flow	$105,985	$ 76,363	$ 65,692	$ (19,939)	$122,990	$ 242,878	$ 245,106
Portion of contingent consideration paid included in operating activities (1)	11,605	20,415	16,439	23,049	18,202	23,081	78,105
Cash Flow Available for Capital Allocation (2)	$117,590	$ 96,778	$ 82,131	$ 3,110	$141,192	$ 265,959	$ 323,211

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, 2021 and 2022, respectively, include cash outflows related to due to affiliates (i.e. management fees). A portion of management fees were paid in Q1 post the issuance of the respective annual audit included in our Form 10-K.