



FOCUS[®]
FINANCIAL PARTNERS

Focus Financial Partners Inc.

Second Quarter 2022 Earnings Release Supplement

August 4, 2022

VISION *for*
VISIONARIES.

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 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.

Table of Contents

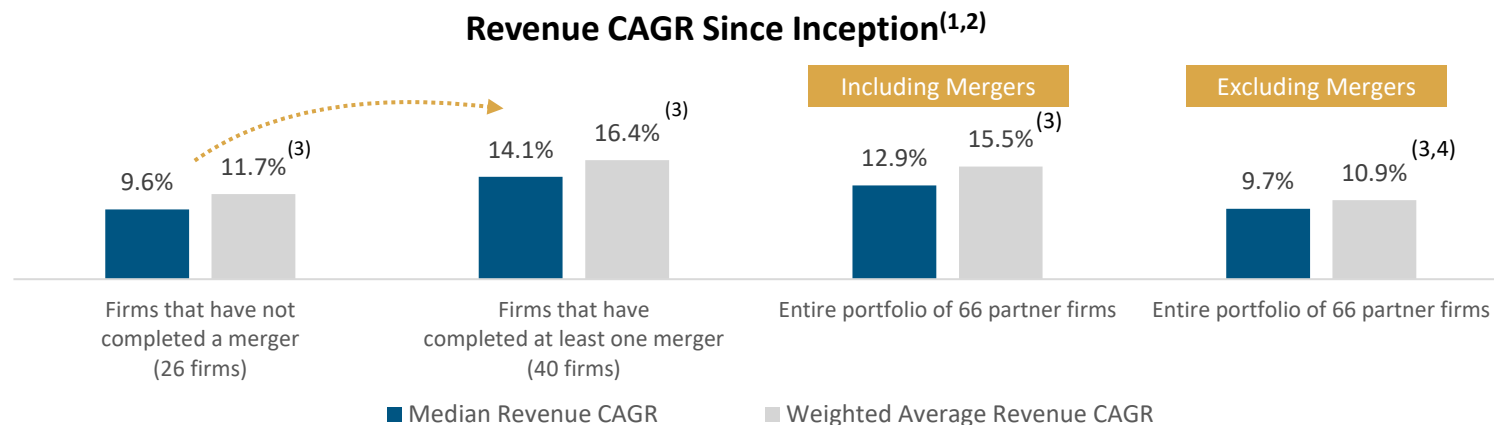


	Pages
Key Investor Questions on Q2 2022	4-6
Selected Growth Trends	7-11
Second Quarter 2022 Recap	12-18
Third Quarter 2022 Outlook	19-20
Credit Profile & Interest Rate Sensitivity	21-25
Cash Flows	26-28
Appendix	29-33

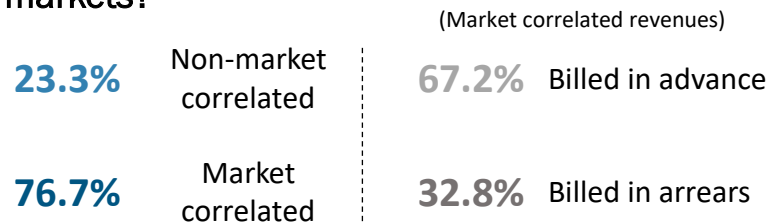
Key Investor Questions on Q2 2022

Key Investor Questions on Q2 2022

1 What was your organic growth?

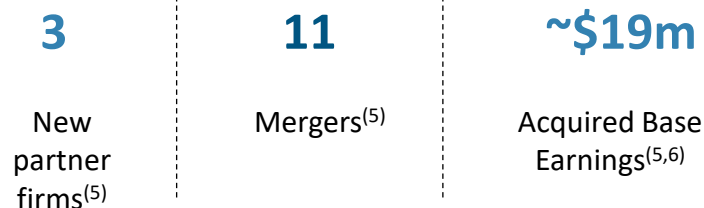


2 How correlated were your Q2 revenues to the markets?



Highly diversified revenue stream

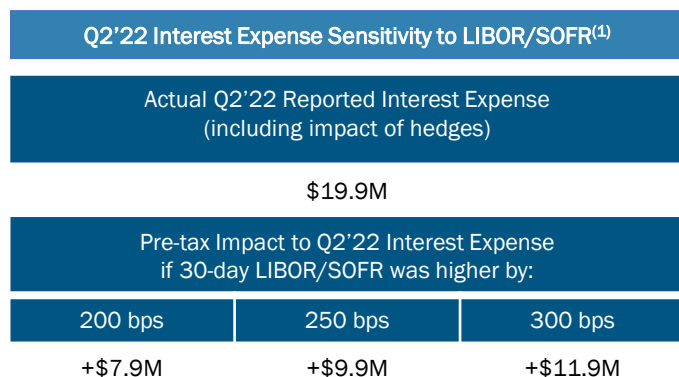
3 What was your YTD M&A activity given the volatile macro backdrop?



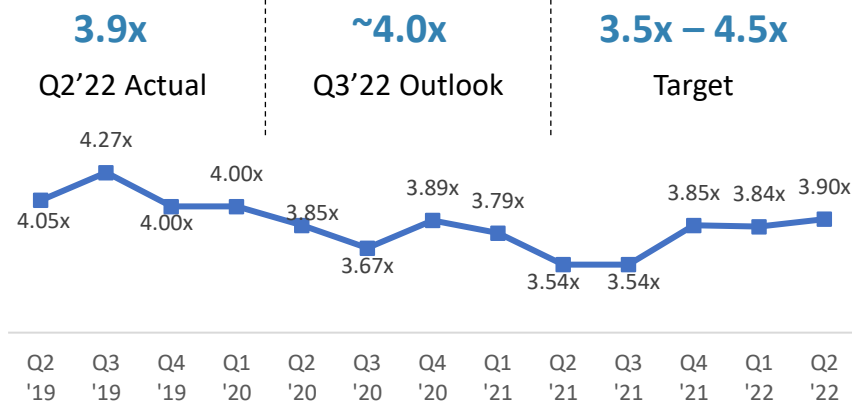
1. As of June 30, 2022.
 2. Inception means first full four quarters as a Focus partner firm and reflects activity through all market cycles during that time. The analysis includes the 66 firms since inception that have been with us for at least 2 years as of June 30, 2022 in order to determine a baseline 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

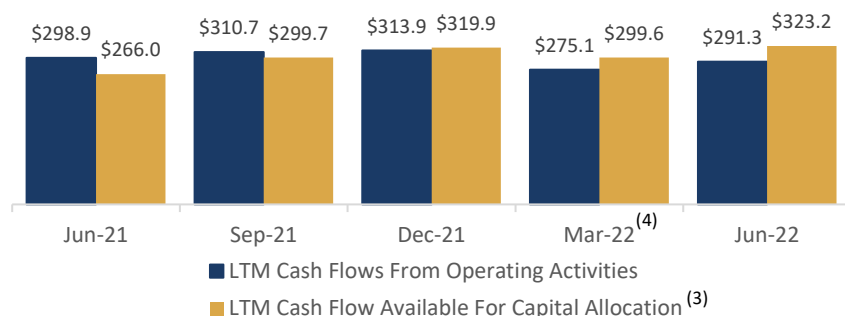
4 How sensitive are your earnings to rising interest rates?



5 What is your Net Leverage Ratio⁽²⁾?



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)

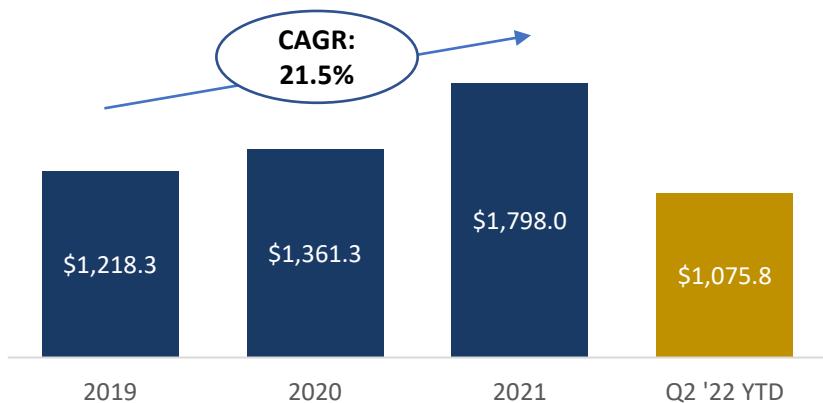
- Analysis shows the actual interest expense for Q2'22, inclusive of the Company's Term Loans, Revolver borrowings and the impact of the three cash flow hedges which effectively convert the LIBOR variable interest rate on the first \$850 million of Term Loan borrowings to a fixed weighted average interest 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.
- 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).
- Non-GAAP financial measure. See Appendix for reconciliations.
- 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.
- 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).
- As of June 30, 2022.
- Based on 27% pro forma tax rate.
- Based on assumed 8% discount rate.
- Based on Q2 2022 Adjusted Shares Outstanding. See Appendix for reconciliation of number of shares.

Selected Growth Trends

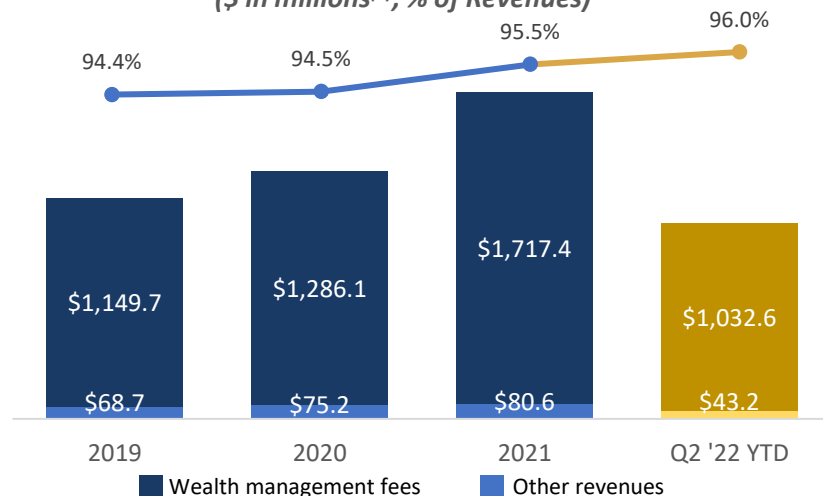
Strong and Sustained Revenue and Adjusted EBITDA Growth...



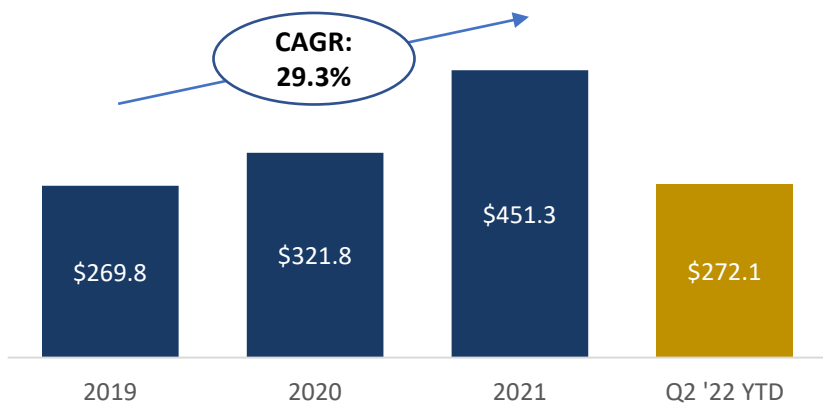
Revenues
(\$ in millions)



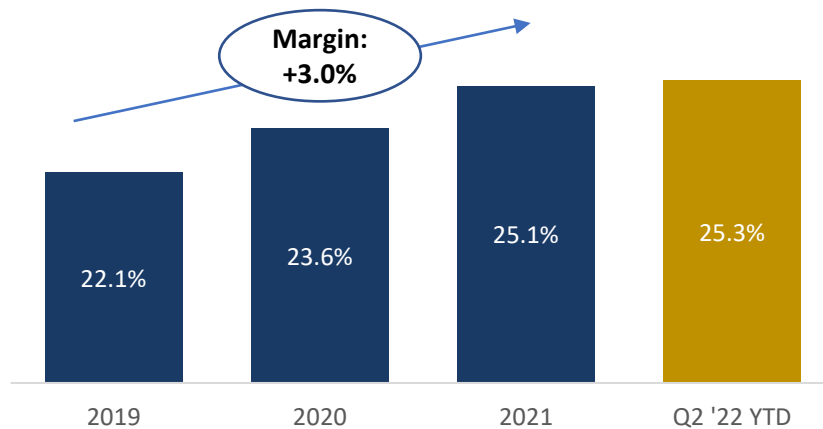
Wealth Management Fees Allocation
(\$ in millions⁽³⁾, % of Revenues)



Adjusted EBITDA⁽¹⁾
(\$ in millions)



Adjusted EBITDA Margin⁽²⁾
(% of Revenues)



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

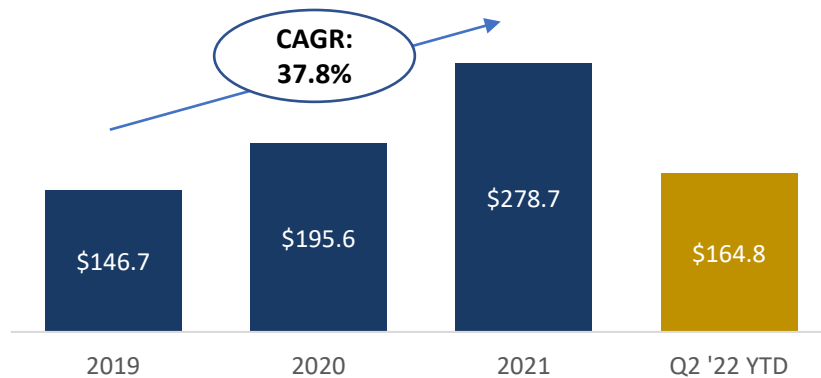
2. Calculated as Adjusted EBITDA divided by revenues.

3. The sum of wealth management fees and other revenues as presented in this chart may not agree to total revenues as presented due to rounding.

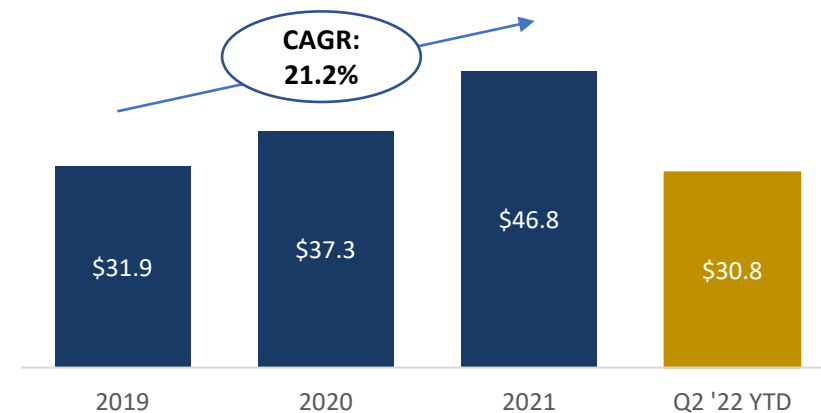
... Drives Strong Bottom-Line Performance Enhanced by a Tax Efficient Structure



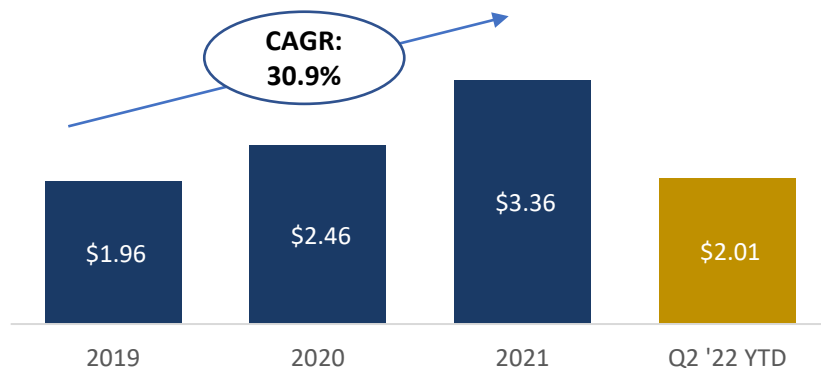
Adjusted Net Income (“ANI”) Excluding Tax Adjustments⁽¹⁾
(\$ in millions)



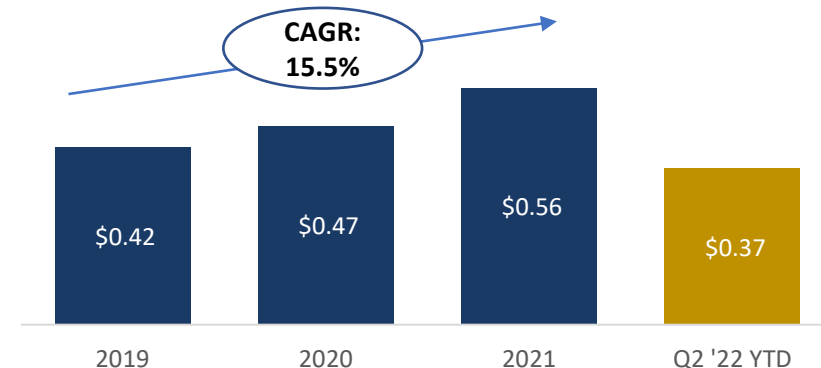
Tax Adjustments⁽²⁾
(\$ in millions)



ANI Excluding Tax Adjustments Per Share⁽¹⁾



Tax Adjustments Per Share^(1,2)



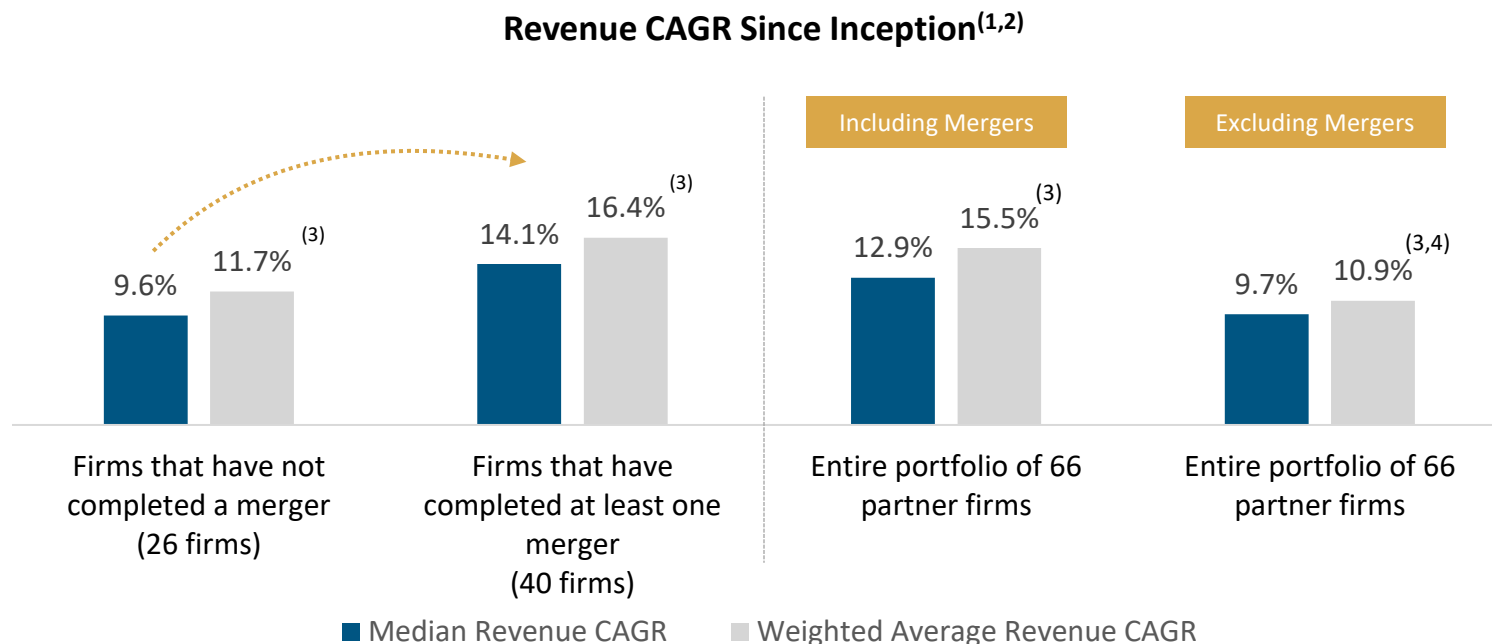
1. Non-GAAP financial measure. See Appendix for reconciliations.

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.



66 partner firms⁽⁵⁾ represented ~89% of our Q2 2022 LTM revenues

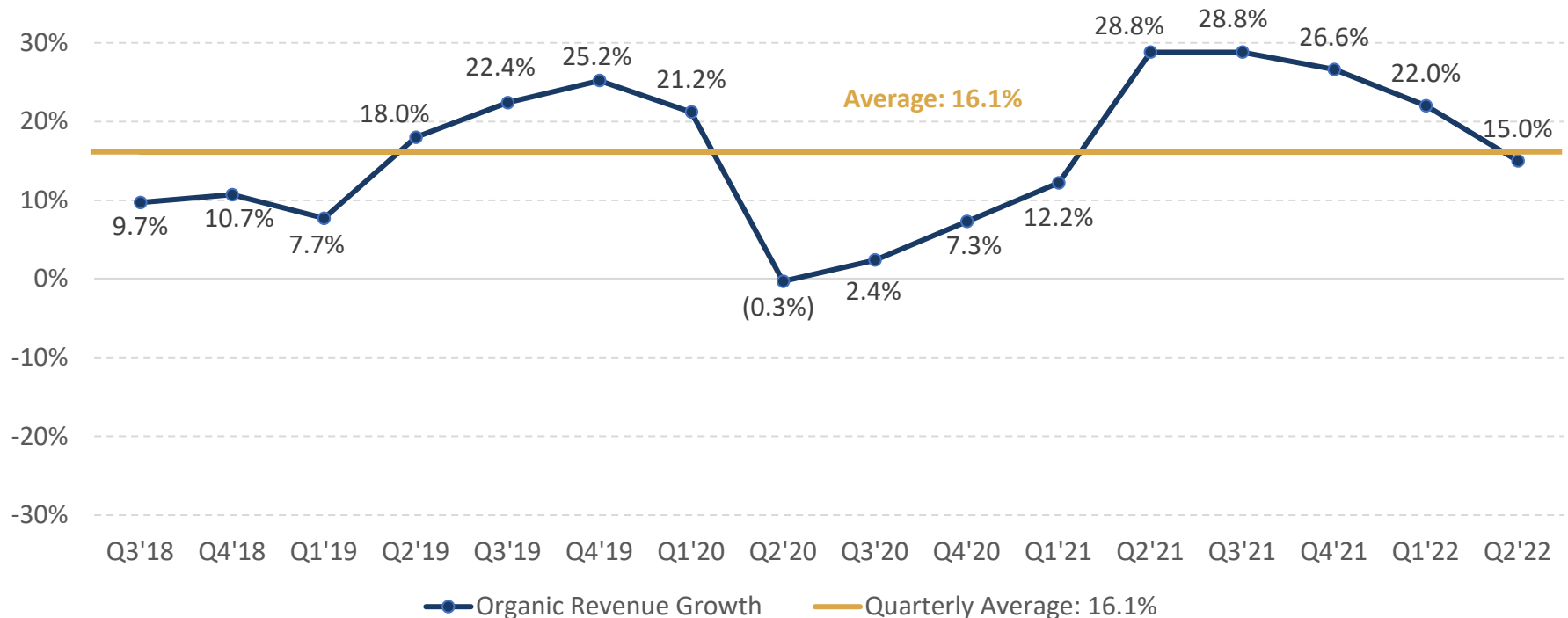
- As of June 30, 2022.
- Inception means first full four quarters as a Focus partner firm and reflects activity through all market cycles during that time. The analysis includes the 66 firms since inception that have been with us for at least 2 years as of June 30, 2022 in order to determine a baseline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

Quarterly Organic Revenue Growth⁽¹⁾ Percentage



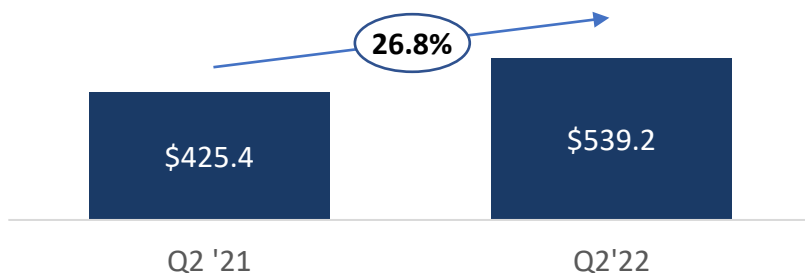
1. Organic revenue growth represents the period-over-period growth in revenue related to partner firms, including growth related to acquisitions of wealth management practices and customer relationships by Focus's partner firms, including Connectus, and partner firms that have merged, that for the entire 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

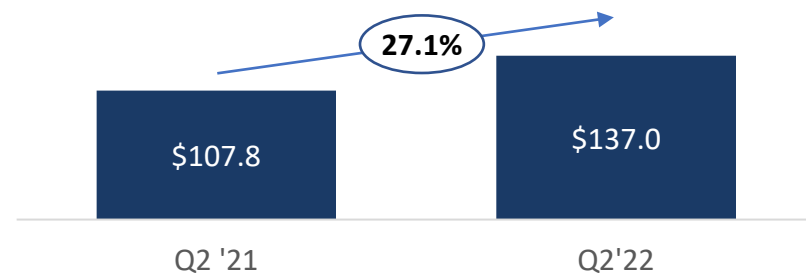
Robust Year-Over-Year Financial Performance Reflects Sustained Momentum



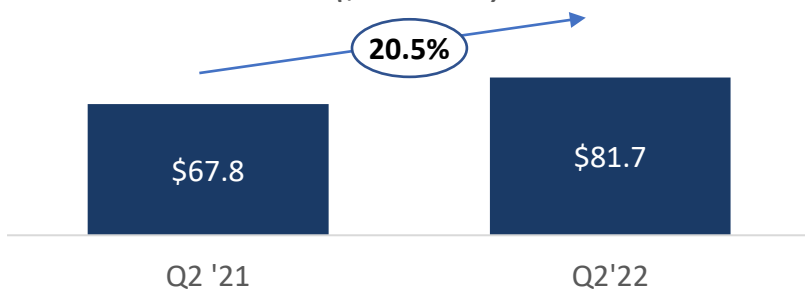
Revenues
(\$ in millions)



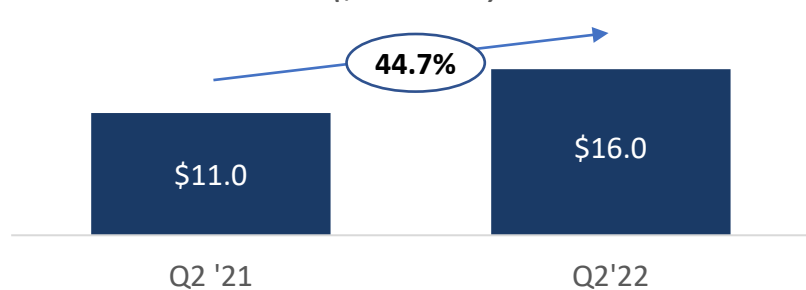
Adjusted EBITDA⁽¹⁾
(\$ in millions)



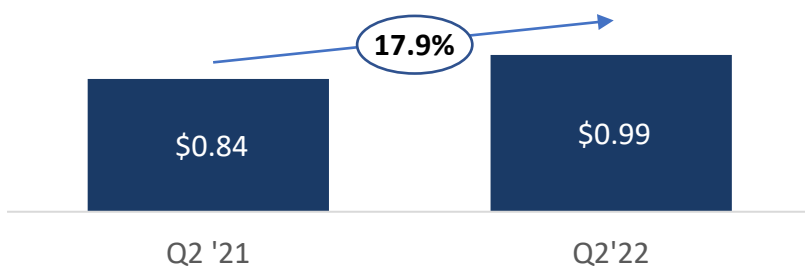
Adjusted Net Income (“ANI”) Excluding Tax Adjustments⁽¹⁾
(\$ in millions)



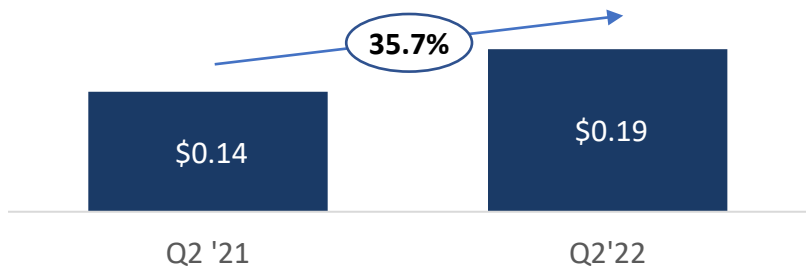
Tax Adjustments⁽²⁾
(\$ in millions)



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



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

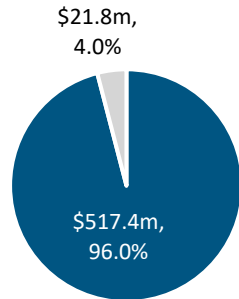
Net Leverage & Cash Flow

- **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

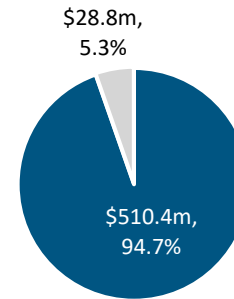
Q2 2022 Revenues by Source



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

■ Wealth Management Fees
■ Other

Q2 2022 Revenues by Region

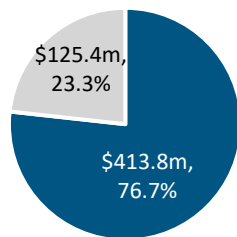


- International sources provide growing revenue diversification
- 8 partner firms across Australia, Canada and the UK, together with partner firm Connectus, are platforms for growth
- Our new Switzerland-based partner firm Octogone (with over \$20m in estimated annualized revenue) closed on July 1, 2022

■ Domestic
■ International

Q2 2022 Revenues Correlated to Markets

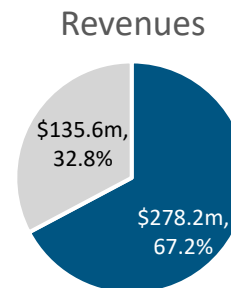
Revenues Correlated to Markets



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

■ Correlated to Markets
■ Not Correlated to Markets

Billing Structure of Market-Correlated Revenues



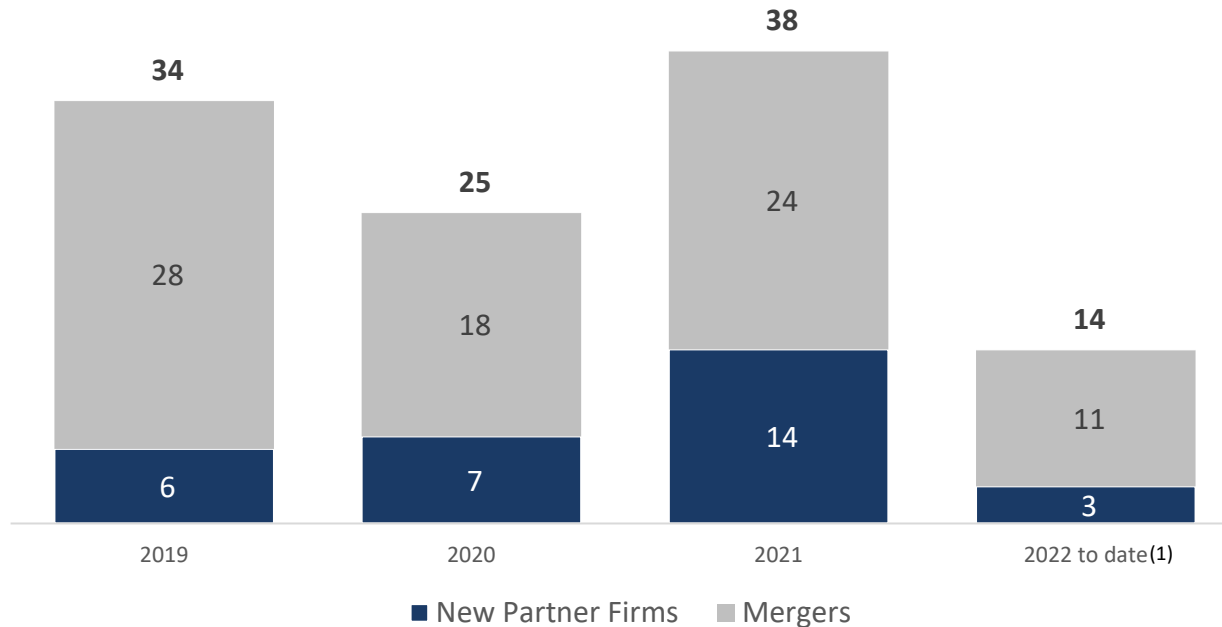
- Advance billing structure used by majority of partner firms gives high visibility into subsequent quarter
- Diversification of billing practices across 85 partner firms is an embedded revenue hedge

■ Advance
■ Arrears

Continuing a Trend of Strong M&A Volume



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



2022 YTD Highlights

14 closed or pending transactions to date:

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

	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⁾



Azimuth Capital Management	Octogone Holding	Icon Wealth Partners
<p><i>Closed April 1, 2022</i> <i>~\$3.5 Billion in Client Assets</i> <i>Fiduciary Wealth Manager</i> <i>Bloomfield Hills, MI</i></p>	<p><i>Closed July 1, 2022</i> <i>~\$4.4 Billion in Client Assets</i> <i>Fiduciary Wealth Manager</i> <i>Geneva, Switzerland</i></p>	<p><i>Closed August 1, 2022</i> <i>~\$1.6 Billion in Client Assets</i> <i>Fiduciary Wealth Manager</i> <i>Houston, TX</i></p>
<ul style="list-style-type: none"> ➤ 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 	<ul style="list-style-type: none"> ➤ 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 	<ul style="list-style-type: none"> ➤ 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

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



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		

- 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.
- 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

Equity market decline

Assumed Client Portfolio Allocation to Equities

Decline in market-correlated revenues⁽¹⁾

(\$ in millions)

	Reported
Q2'22 Market-Correlated Revenues	\$ 413.8
Q2'22 Non-Correlated Revenues	\$ 125.4
Total Revenue - Q2'22	\$ 539.2
Covenant EBITDA ⁽²⁾ - LTM	\$ 583.2
Net Debt ⁽³⁾	\$ 2,273.9
Net Leverage Ratio ⁽²⁾	3.90x

Change from Q2 Reported

Sensitivity Analysis (Illustrative Only)

	(20)% 50%	(40)% 50%
Decline in market-correlated revenues ⁽¹⁾	(10)%	(20)%
Q2'22 Market-Correlated Revenues	\$ 372.4	\$ 331.0
Q2'22 Non-Correlated Revenues	\$ 125.4	\$ 125.4
Total Revenue - Q2'22	\$ 497.8	\$ 456.4
Covenant EBITDA ⁽²⁾ - LTM	\$ 560.8	\$ 539.0
Net Debt ⁽³⁾	\$ 2,273.9	\$ 2,273.9
Net Leverage Ratio ⁽²⁾	4.05x	4.22x
Change from Q2 Reported	0.15x	0.32x

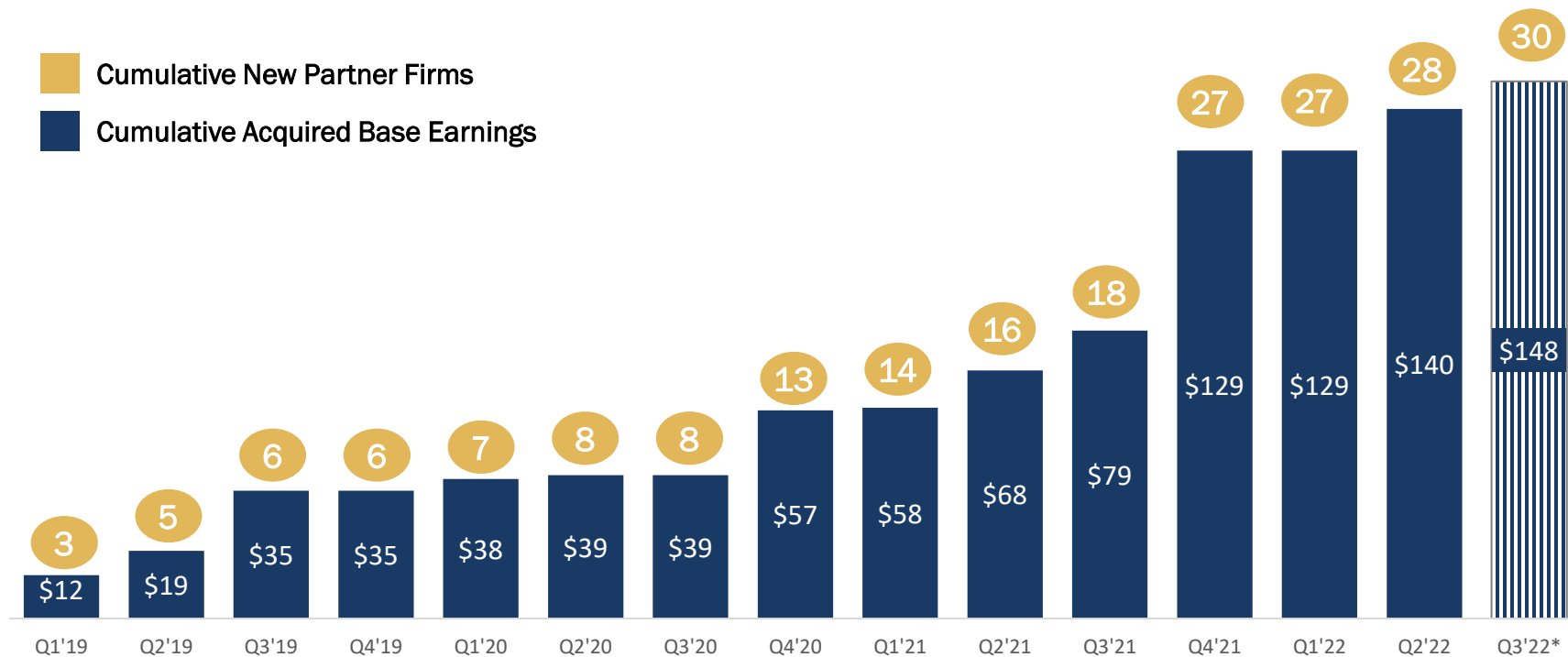
- The analysis depicts the impact on our Net Leverage Ratio (as defined in the Credit Facility) resulting from a hypothetical change in Q2 market correlated revenues only. All other revenues/expenses were kept constant except management fees, which are tied to the profitability of our partner firms.
- 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."
- 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.
- 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.

Cash Flows

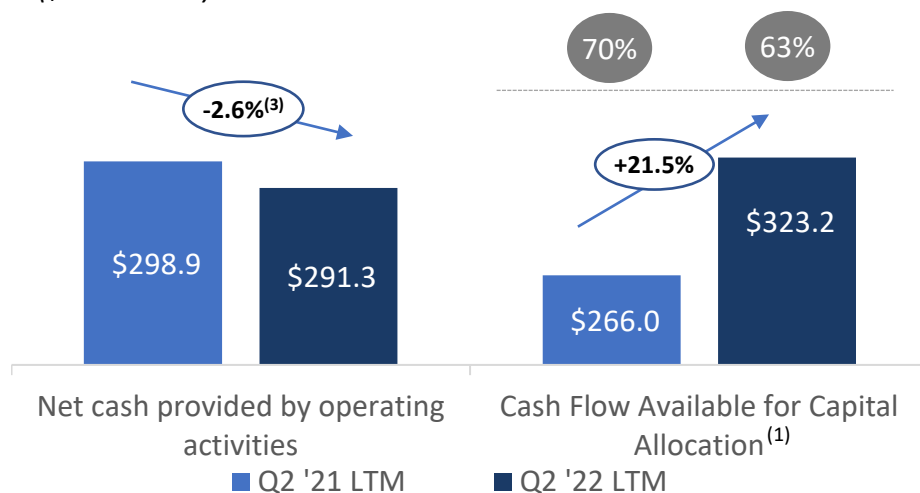
Strong and Sustained Growth in Cash Flows Continued in Q2



Cash Flow Snapshot

(\$ in millions)

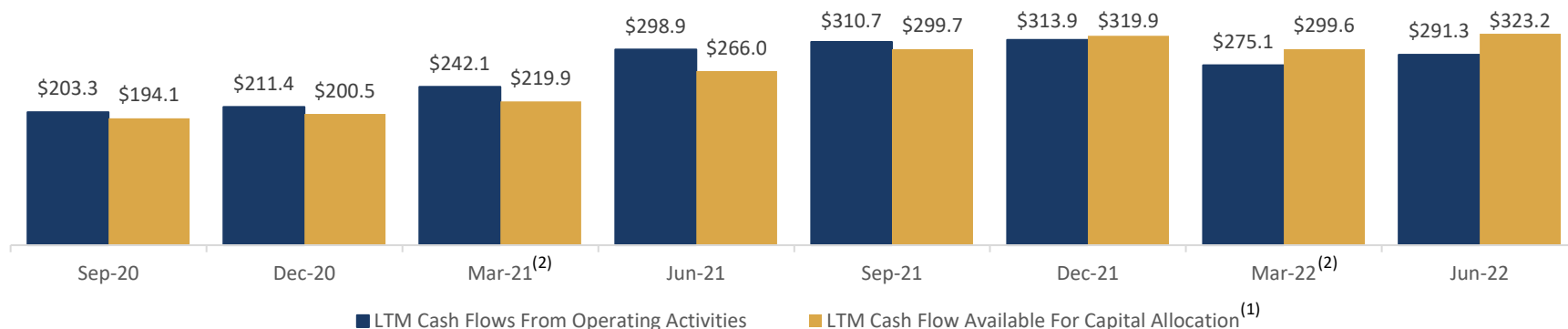
As % of Adjusted EBITDA⁽¹⁾



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.

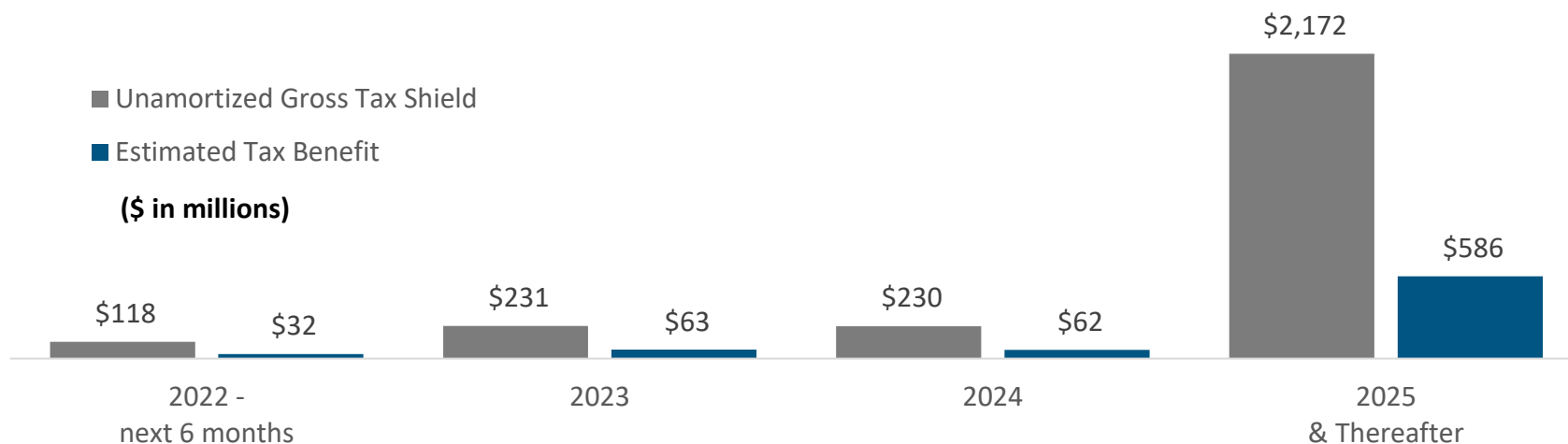
3. Net cash provided by operating activities for Q2'22 LTM included \$78.1m of payments relating to earnouts as compared to \$23.1m for Q2'21 LTM.

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



(\$ in thousands)				Three months ended		Six months ended	
	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



	2019	2020	2021	Three months ended		Six months ended		
				June 30, 2021	June 30, 2022	June 30, 2021	June 30, 2022	
<i>(\$ In thousands, except share and per share data)</i>								
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	
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	
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	—	—	—	—	—	
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	—	
<i>Subtotal</i>	<u>200,983</u>	<u>267,893</u>	<u>381,755</u>	<u>92,877</u>	<u>111,890</u>	<u>179,794</u>	<u>225,688</u>	
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	<u>\$ 146,718</u>	<u>\$ 195,562</u>	<u>\$ 278,681</u>	<u>\$ 67,800</u>	<u>\$ 81,679</u>	<u>\$ 131,249</u>	<u>\$ 164,752</u>	
Tax Adjustments (4)	<u>\$ 31,860</u>	<u>\$ 37,254</u>	<u>\$ 46,805</u>	<u>\$ 11,038</u>	<u>\$ 15,977</u>	<u>\$ 21,530</u>	<u>\$ 30,790</u>	
Adjusted Net Income Excluding Tax Adjustments Per Share	<u>\$ 1.96</u>	<u>\$ 2.46</u>	<u>\$ 3.36</u>	<u>\$ 0.84</u>	<u>\$ 0.99</u>	<u>\$ 1.62</u>	<u>\$ 2.01</u>	
Tax Adjustments Per Share (4)	<u>\$ 0.42</u>	<u>\$ 0.47</u>	<u>\$ 0.56</u>	<u>\$ 0.14</u>	<u>\$ 0.19</u>	<u>\$ 0.27</u>	<u>\$ 0.37</u>	
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	<u>75,039,357</u>	<u>79,397,568</u>	<u>82,893,928</u>	<u>81,076,423</u>	<u>82,312,683</u>	<u>81,020,580</u>	<u>82,123,532</u>	

* 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



(\$ 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					Trailing 4-Quarters ended	
	June 30, 2021	Sept. 30, 2021	Dec. 31, 2021	Mar. 31, 2022 ⁽³⁾	June 30, 2022	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.