



ACCOUNTING | INSURANCE | ADVISORY

CBIZ & Marcum: Stronger Together.

July 31, 2024

CBIZ.COM | NYSE: CBZ

Important Information



CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This communication includes “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical facts, included herein that address business performance, financial condition, activities, events or developments that the Company expects, believes or anticipates will or may occur in the future are forward-looking statements. Investors are cautioned that any such statements are not guarantees of future performance and that actual results or developments may differ materially from those projected in the forward-looking statements. Such statements are subject to a number of assumptions, risks and uncertainties, many of which are beyond the control of the Company, including but not limited to: the ability of the parties to consummate the transaction in a timely manner or at all; satisfaction of the conditions precedent to consummation of the transaction, including the ability to secure regulatory approvals in a timely manner or at all, and the approval by Marcum’s partners and the approval by the Company’s stockholders; the possibility of litigation related to the transaction and the effects thereof; the possibility that anticipated benefits and/or synergies of the transaction will not be achieved in a timely manner or at all; the possibility that the costs of the transaction and/or liabilities assumed will be more significant than anticipated; the possibility that integration will prove more costly and/or time consuming than anticipated; the possibility that the transaction could disrupt ongoing plans and operations of the parties or their respective relationships with clients, other business partners and employees; the possibility that the financing will not be obtained as anticipated and the effects of the increased leverage of the Company following the transaction; and other risks described in the Company’s SEC filings. All forward-looking statements are based on management’s estimates, projections and assumptions as of the date hereof. Except as required by law, the Company does not undertake any obligation to update any forward-looking statements to reflect events or circumstances that subsequently occur or of which it subsequently becomes aware.

ADDITIONAL INFORMATION ABOUT THE TRANSACTION AND WHERE TO FIND IT

In connection with the transaction, the Company will file a proxy statement with the SEC. The definitive proxy statement will be mailed to the Company’s stockholders and will contain important information about the transaction and related matters. **THE COMPANY’S STOCKHOLDERS ARE URGED TO READ THE DEFINITIVE PROXY STATEMENT CAREFULLY WHEN IT BECOMES AVAILABLE BEFORE MAKING ANY VOTING OR INVESTMENT DECISION WITH RESPECT TO THE TRANSACTION BECAUSE IT WILL CONTAIN IMPORTANT INFORMATION ABOUT THE TRANSACTION.** The definitive proxy statement and other relevant materials (when they become available) and any other documents filed by the Company with the SEC may be obtained free of charge at the SEC’s website, at www.sec.gov. In addition, stockholders will be able to obtain free copies of the definitive proxy statement from the Company on the Investor Relations page of the Company’s website, www.cbiz.com, or by writing to us at Attention: Investor Relations Department, 5959 Rockside Woods Blvd. N., Suite 600, Independence, Ohio 44131.

PARTICIPANTS IN THE SOLICITATION

The Company and its directors and executive officers may be deemed to be participants in the solicitation of proxies in connection with the transaction. Information with respect to the Company’s directors and executive officers is set forth in the Company’s Proxy Statement on Schedule 14A for its 2024 Annual Meeting of Stockholders, which was filed with the SEC on March 25, 2024, and its Annual Report on Form 10-K for the fiscal year ended December 31, 2023, which was filed with the SEC on February 23, 2024. These documents are available free of charge at the SEC’s web site at www.sec.gov, or from the Company on the Investor Relations page of the Company’s website, www.cbiz.com, or by writing to us at Attention: Investor Relations Department, 5959 Rockside Woods Blvd. N., Suite 600, Independence, Ohio 44131. Additional information regarding the interests of participants in the solicitation of proxies in connection with the transactions will be included in the proxy statement that the Company intends to file with the SEC.

NON-GAAP FINANCIAL INFORMATION

This communication contains references to certain non-GAAP financial measures. These non-GAAP financial measures may not provide information that is comparable to similarly-titled measures provided by other companies. These non-GAAP financial measures are not measurements of financial performance of the Company or Marcum under GAAP and should not be considered as alternatives to amounts presented in accordance with GAAP. The Company views these non-GAAP financial measures as supplemental to, but not as substitutes for, comparable GAAP measures. Refer to Non-GAAP Financial Information in the Appendix for additional information.

Today's Speakers



Jerry Grisko
President & CEO



Chris Spurio
President, Financial Services



Ware Grove
Senior VP & CFO

Agenda



1 | Strategic Rationale & Transaction Overview

2 | Go-To-Market

3 | Integration

4 | Financial Summary

5 | Q&A

6 | Closing Remarks

Strategic Rationale & Transaction Overview

CBIZ + Marcum: Strategic Rationale

Accelerates our growth strategy while generating attractive shareholder value

Market Position	Solidify position as a leading provider of professional services to the growing middle market and 7th largest accounting services provider in the U.S.
Growth Strategy	Scale accelerates growth and further positions CBIZ as an acquirer of choice
Our People	Attract and retain the best and brightest in our industries, enhance learning and development aligned to meaningful career paths and expanded growth opportunities
Client Experience	Offer an unmatched breadth of services and depth of expertise including the development of innovative and actionable solutions
Industry Expertise	Combined industry knowledge enables access to new sectors and expands presence in target industries
Innovation & Technology	Enable greater investment in technology to support data-driven insights and solutions while driving innovation, increasing efficiency and enhancing performance
Shareholder Value	Expect to be accretive in 2025, with an estimated contribution to Adjusted EPS ⁽¹⁾ of approximately 10%

(1) Refer to Non-GAAP Financial information in Appendix for more information

Transaction Overview



Purchase Price

- \$2.3B Enterprise Value
- ~12.0x Adj. EBITDA⁽¹⁾ or ~10.1x including present value of tax step-up

Consideration

- ~50% Cash / ~50% CBIZ shares (approximate split)
- CBIZ to issue ~14M or ~22% of total pro forma shares to Marcum
- Pro forma Net Debt to Adj. EBITDA⁽²⁾ of ~3.25x to ~3.50x at close

Expected Earnings Impact

- ~10% Adj. EPS⁽²⁾ Year 1 Accretion Post-Close

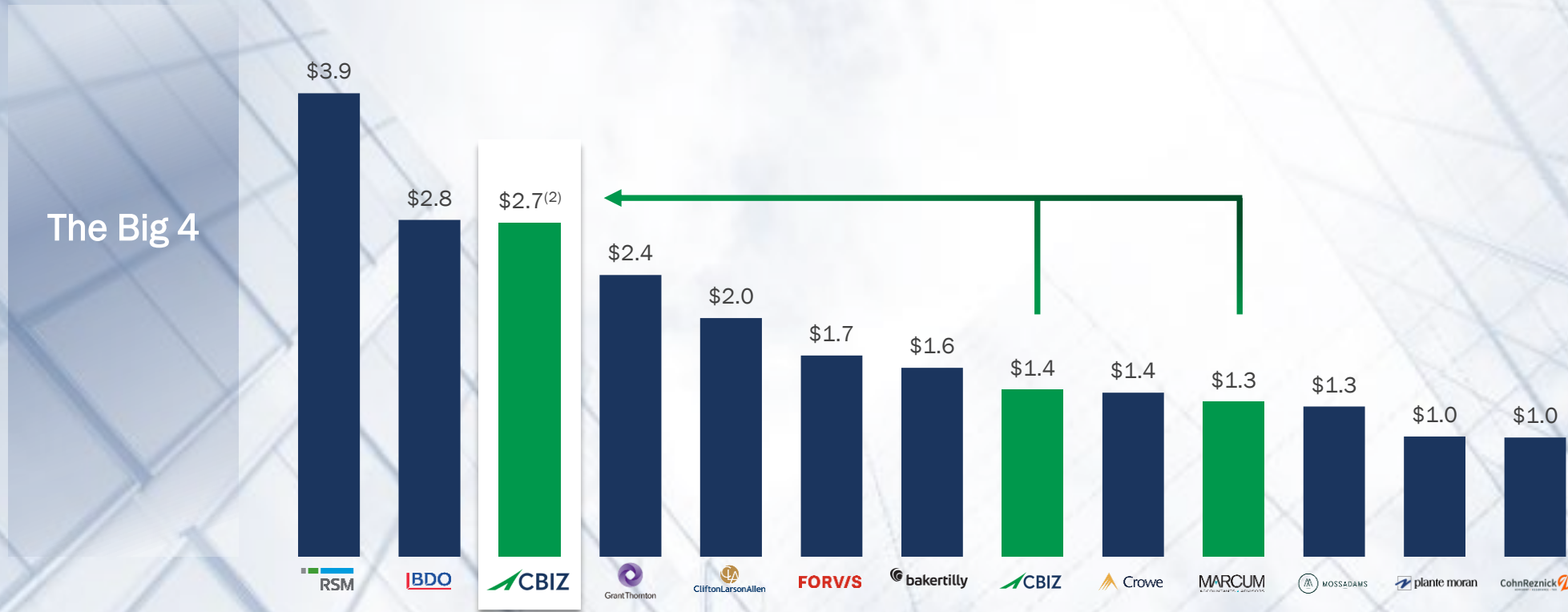
Estimated Close Date

- Q4 2024, subject to satisfaction of customary closing conditions, regulatory approvals, Marcum partner approval and CBIZ shareholder approval

7th Largest Accounting Provider in U.S.⁽¹⁾



Top accounting firms by net revenue (\$B)



(1) Source: Accounting Today 2024 Top 100 Firms Report
(2) Revenue includes revenue share from MHM and Marcum Attest



Stronger Together: Go-To-Market

Marcum Snapshot

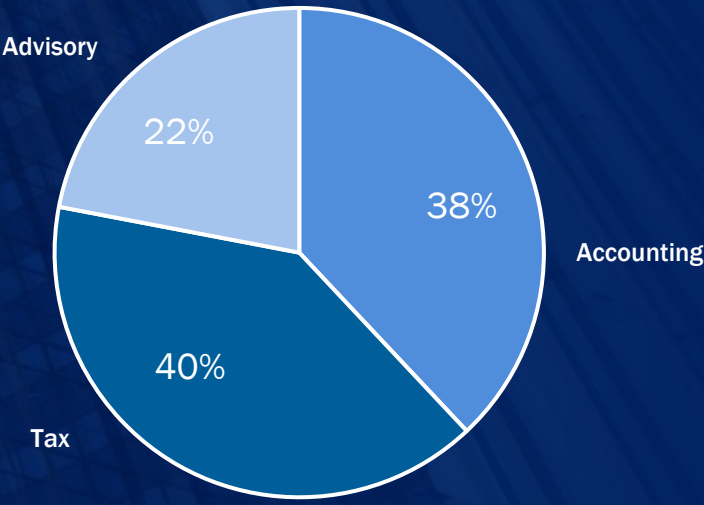


- 1951 FOUNDED
- \$1.2B REVENUE
- 3,500+ EMPLOYEES
- 35,000+ CLIENTS
- 43 OFFICES
- #13 AMONG TOP 100 FIRMS⁽¹⁾

Business Overview

National accounting and advisory services firm dedicated to helping entrepreneurial, middle-market companies and high-net-worth individuals achieve their goals

Revenue Mix



(1) Based on Accounting Today Top 100 Firms 2024 revenue

CBIZ + Marcum: Stronger Together

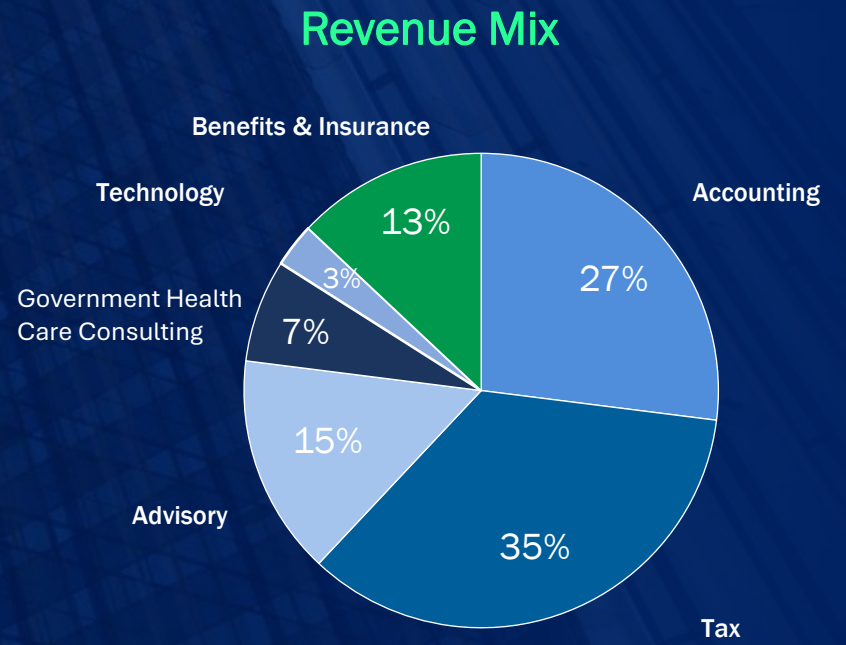


~\$2.8B REVENUE
10,000+ EMPLOYEES
135,000+ CLIENTS
21 MAJOR MARKETS
#7 AMONG TOP 100 FIRMS⁽¹⁾



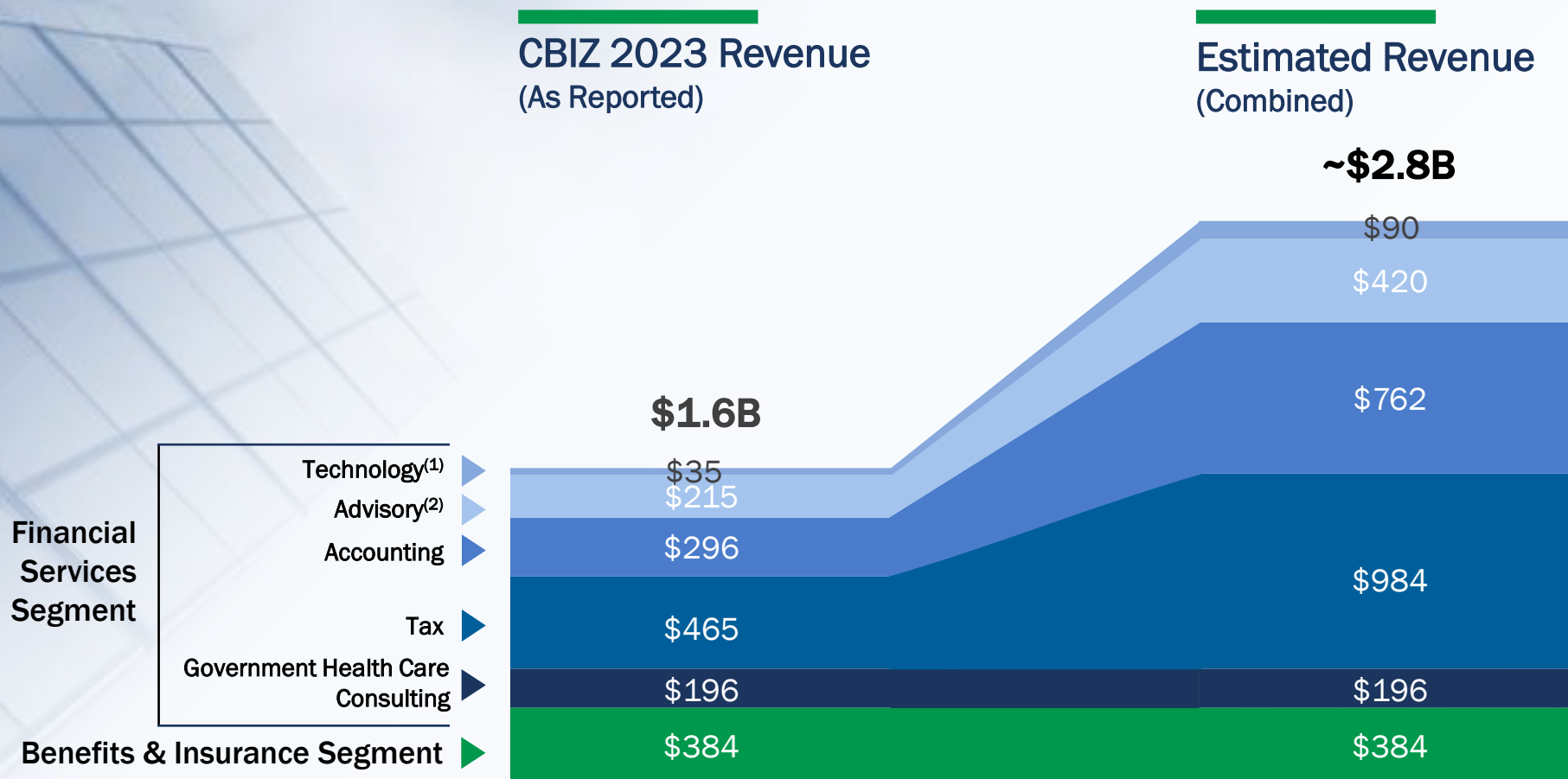
National Resources & Expertise

Local Relationships & Delivery



(1) Based on Accounting Today Top 100 Firms 2024 revenue

Key Practice Areas



(1) Includes National Practices
 (2) Includes Managed Services and Search / Staffing

Key Shared Attributes



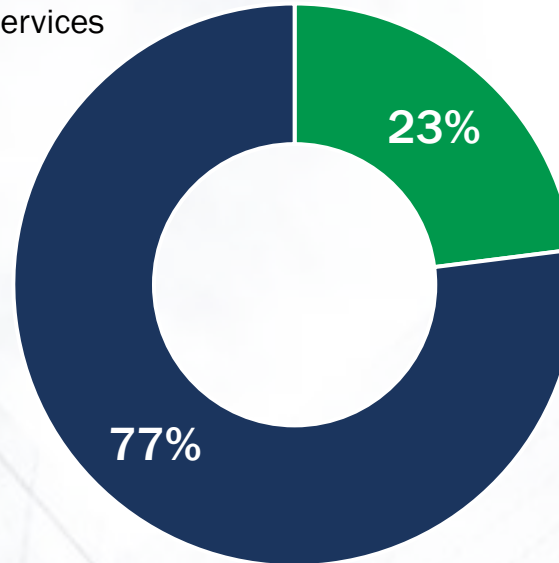
	 CBIZ	 MARCUM ACCOUNTANTS • ADVISORS
 Strong Historic Growth	✓	✓
 Comprehensive & Essential Services	✓	✓
 Recurring Revenue	✓	✓
 High Client Retention	✓	✓
 Strong & Consistent Cash Flows	✓	✓
 High Client Retention	✓	✓
 Loyal & Diverse Middle-Market Client Base	✓	✓
 Variable Expenses	✓	✓
 Deep Industry & Subject Matter Expertise	✓	✓
 Unwavering Commitment to Client Service	✓	✓

Combined Revenue Profile

Pro Forma By Type

Recurring Services

- Annual Accounting & Tax Services
- Group Health Benefits
- Government Health Care Consulting
- Property & Casualty
- Payroll
- Retirement Plan Services
- Technology Support



Project-based Work

- Compensation Studies
- Search & Staffing
- Financial Consulting
- Litigation Support
- Risk Advisory
- Transaction Advisory
- Valuation

Integration

Track Record of Successful M&A



120+ Combined Acquisitions Since 2008

- M&A has been an integral part of both the CBIZ and Marcum historical growth strategies
- Broad institutional knowledge and experience in integrations and change management

Integration Roadmap

- Detailed integration plan
- Focus on implementing best of both

Focus on Employee Growth and Retention

- Compatible, growth-focused cultures
- Retention and performance incentives
- Equity consideration creates shareholder alignment

Integration Roadmap



Financial Summary

Builds on Our Attractive Financial Attributes



	Historical Metric	Transaction Benefits / Impact
Revenue	7.4% 2023 Same-Unit Growth	<ul style="list-style-type: none"> Scale accelerates growth
Adj. EBITDA ⁽¹⁾	17.7% 2023 Growth	<ul style="list-style-type: none"> Adds \$25M+ of anticipated annual cost synergies, expected to be fully actioned ~36 months post-close Additional operating leverage from increased scale
Adj. EPS ⁽¹⁾	13.1% 2023 Growth	<ul style="list-style-type: none"> Estimated Adj. EPS⁽¹⁾ accretion of ~10% in Year 1 Accretion expected to increase as we realize synergies and de-lever post-close
Leverage	2.0x (Current Net Debt / TTM Adj. EBITDA ⁽¹⁾)	<ul style="list-style-type: none"> Targeting pro forma leverage of ~3.25x to ~3.50x Adjusted EBITDA⁽¹⁾ at close, with rapid de-leveraging post close Enhanced long-term cash flow enables greater ability to deploy capital on strategic M&A, share repurchases and technology

(1) Refer to Non-GAAP Financial information in Appendix for more information

Synergies Unlocked in the Combination



Proven ability to deliver cost savings and enhanced returns

~\$25M+ of
expected cost
synergies

Operations
& Corporate
Functions



Align and optimize organizational structures

Marketing



Combine marketing and advertising efforts

IT



Consolidate systems and migrate to common platforms

Facilities



Co-locate and reduce facilities footprint where feasible

Transaction Funding



Consideration

- \$2.3B; ~50% Cash / ~50% CBIZ shares ensures alignment with CBIZ shareholders

Cash Funding Requirement

- Committed financing in place – led by Bank of America
 - New \$600M five-year revolver
 - New \$1,400M Term Loan A facility

Post-Close Liquidity

- ~\$1.45B outstanding at close (includes seller proceeds, refinancing existing debt, closing costs), post-close unused capacity of ~\$550M

Equity Funding

- Issue ~14M shares over 3 years representing ~22% of total shares outstanding at close
- 36-month installment issuance of shares
- ~5% Performance Shares issued on fourth anniversary as retention tool

Clear Path to Leverage Reduction

Significant free cash flow generated by the pro forma company to pay down transaction debt

Committed to reducing pro forma net leverage

Pro Forma Net Leverage of Adj. EBITDA⁽¹⁾



(1) Refer to Non-GAAP Financial Information in Appendix for more information

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Innovation & Technology	Enable greater investment in technology to support data-driven insights and solutions while driving innovation, increasing efficiency and enhancing performance
Shareholder Value	Expect to be accretive in 2025, with an estimated contribution to Adjusted EPS ⁽¹⁾ of approximately 10%

(1) Refer to Non-GAAP Financial information in Appendix for more information

Q&A

Non-GAAP Financial Information

The following tables reconcile certain non-GAAP measures referenced in this presentation. In addition to historical information for the Company, this presentation references the Company's estimates for certain forward-looking information on non-GAAP basis after giving effect to the transaction. The Company's estimates for these measures are based on generally similar types of adjustments included in historical measures.

Adjusted Pre-Tax Income and Margin Reconciliation

GAAP RECONCILIATION
Pre-tax Income to Adjusted Pre-tax Income⁽¹⁾
(In thousands)

	2023		2022		2021		2020		2019	
	Amounts	% of Revenue	Amounts	% of Revenue	Amounts	% of Revenue	Amounts	% of Revenue	Amounts	% of Revenue
Pre-tax income	\$ 166,303	10.4%	\$ 141,475	10.0%	\$ 93,016	8.4%	\$ 103,440	10.7%	\$ 92,554	9.8%
Adjustments:										
Gain on sale of operations, net	-		-		(6,311)	-0.6%	-		-	
Gain on sale of assets, net	(2,863)	-0.2%	(2,391)	-0.2%	-		-		-	
Legal settlement, net	-		-		30,468	2.8%	-		-	
Transaction costs related to acquisitions ⁽²⁾	611	0.0%	1,329	0.1%	-		-		-	
Integration and retention costs related to acquisitions ⁽²⁾	2,782	0.2%	9,191	0.7%	-		-		-	
Facility optimization costs ⁽³⁾	731	0.1%	-		-		-		-	
Adjusted pre-tax income	\$ 167,564	10.5%	\$ 149,604	10.6%	\$ 117,173	10.6%	\$ 103,440	10.7%	\$ 92,554	9.8%
Revenue	\$ 1,591,194		\$ 1,411,979		\$ 1,104,925		\$ 963,897		\$ 948,424	

⁽¹⁾ CBIZ reports its financial results in accordance with GAAP. This table reconciles Adjusted income before income tax expense (Adjusted Pre-tax Income) to the most directly comparable GAAP financial measures, "Income before income tax expense" (Pre-tax Income). Adjusted Pre-tax Income is not defined by GAAP and should not be regarded as an alternative or replacement to any financial information determined under GAAP. Adjusted Pre-tax Income excludes significant one-time non-recurring gains and losses that management does not consider ongoing in nature. This non-GAAP financial measure is used by the Company as a performance measure to evaluate, assess and benchmark the Company's operational results. Accordingly, the Company believes the presentation of this non-GAAP financial measure allows its stockholders, debt holders and other interested parties to meaningfully compare the Company's period-to-period operating results.

⁽²⁾ These costs include, but are not limited to, certain consulting, technology, personnel, as well as other first year operating and general administrative costs that are non-recurring in nature. Amounts reported in 2023 related to the costs incurred related to the Somerset acquisition and those in 2022 related to the Marks Paneth LLP ("Marks Paneth") acquisition.

⁽³⁾ These costs related to incremental non-recurring lease expense incurred as a result of CBIZ's real estate optimization efforts.

Adjusted EPS Reconciliation



GAAP RECONCILIATION Net income and Diluted Earnings Per Share ("EPS") to Adjusted Net Income and Adjusted EPS⁽¹⁾

(In thousands, except per share data)

	Year Ended December 31,									
	2023	EPS	2022	EPS	2021	EPS	2020	EPS	2019	EPS
Net income	\$ 120,968	\$ 2.39	\$ 105,354	\$ 2.01	\$ 70,887	\$ 1.32	\$ 78,299	\$ 1.41	\$ 70,714	\$ 1.26
Adjustment										
Gain on sale of operations, net	-	-	-	-	(6,311)	(0.12)	-	-	-	-
Gain on sale of assets, net	(2,863)	(0.06)	(2,391)	(0.05)	-	-	-	-	-	-
Legal settlement, net	-	-	-	-	30,468	0.57	-	-	-	-
Transaction costs related to acquisitions ⁽²⁾	611	0.01	1,329	0.03	-	-	-	-	-	-
Integration and retention costs related to acquisitions ⁽²⁾	2,782	0.06	9,191	0.18	-	-	-	-	-	-
Facility optimization costs ⁽³⁾	731	0.02	-	-	-	-	-	-	-	-
Income tax effect related to adjustments	(344)	(0.01)	(2,075)	(0.04)	(5,746)	(0.11)	-	-	-	-
Adjusted net income	\$ 121,885	\$ 2.41	\$ 111,408	\$ 2.13	\$ 89,298	\$ 1.66	\$ 78,299	\$ 1.41	\$ 70,714	\$ 1.26
Diluted weighed average common shares outstanding	50,557		52,388		53,723		55,359		55,895	

⁽¹⁾ CBIZ reports its financial results in accordance with GAAP. This table reconciles Adjusted Net Income and Adjusted EPS to the most directly comparable GAAP financial measures, "Net Income" and "Diluted earnings per share". Adjusted Net Income and Adjusted EPS are not defined by GAAP and should not be regarded as an alternative or replacement to any financial information determined under GAAP. Adjusted Net Income and Adjusted EPS exclude significant non-operating related gains and losses that management does not consider ongoing in nature. These non-GAAP financial measures are used by the Company as performance measures to evaluate, assess and benchmark the Company's operational results and to evaluate results related to employee compensation targets. Accordingly, the Company believes the presentation of these non-GAAP financial measures allows its stockholders, debt holders and other interested parties to meaningfully compare the Company's period-to-period operating results.

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⁽³⁾ These costs related to incremental non-recurring lease expense incurred as a result of CBIZ's real estate optimization efforts.

Adjusted EBITDA Reconciliation



GAAP RECONCILIATION
Reconciliation of Net Income to Adjusted EBITDA ⁽¹⁾
(In thousands)

	Year Ended December 31,				
	2023	2022	2021	2020	2019
Net income	\$ 120,968	\$ 105,354	\$ 70,887	\$ 78,299	\$ 70,714
Interest expense	20,131	8,039	3,868	4,983	5,765
Income tax expense	45,335	36,121	22,129	25,141	21,840
(Gain) loss on sale of operations, net	(176)	(413)	(5,995)	509	(417)
Gain on sale of assets, net	(2,863)	(2,391)	-	-	-
Legal settlement, net	-	-	30,468	-	-
Transaction costs related to acquisitions ⁽²⁾	611	1,329	-	-	-
Integration and retention costs related to acquisitions ⁽²⁾	2,782	9,191	-	-	-
Facility optimization costs ⁽³⁾	731	-	-	-	-
Depreciation	12,475	11,231	10,781	9,568	8,283
Amortization	23,794	21,664	16,297	13,571	14,062
Adjusted EBITDA	\$ 223,788	\$ 190,125	\$ 148,435	\$ 132,071	\$ 120,247
Adjusted EBITDA Margin ⁽⁴⁾	14.1%	13.5%	13.4%	13.7%	12.7%

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⁽³⁾ These costs related to incremental non-recurring lease expense incurred as a result of CBIZ's real estate optimization efforts.

⁽⁴⁾ Adjusted EBITDA Margin is defined as CBIZ's Adjusted EBITDA as a percentage of Revenue.



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Your Team

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