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growth investment” from New Mountain Capital.

Jason Bramwell • Mar. 15, 2024



Baker Tilly is no longer the largest U.S. accounting firm that has secured a substantial investment from a private equity group, after Chicago-based Grant Thornton—the seventh-biggest firm in the nation by revenue—said on Friday it will receive “a significant growth investment” from New Mountain Capital “to accelerate [our] business strategy.”

Financial terms of the deal haven’t been disclosed, but the [Financial Times reported today](#) that Grant Thornton has agreed to sell “a majority stake” to New Mountain Capital, an investment firm headquartered in New York City.

The transaction is subject to regulatory approval and other standard closing conditions. Following the closing of the transaction, which is expected in the second

calendar quarter of 2024, Grant Thornton will operate in an alternative practice

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Valeas Capital Partners would take an equity stake of about \$1 billion for just over 50% of [Chicago-based Baker Tilly](#), the 10th-largest U.S. accounting firm by revenue, with more than \$900 million coming from H&F.

This is New Mountain Capital's second major partnership with a top 25 accounting firm in the last two years. The group announced a [private equity deal with New York City-based Citrin Cooperman](#), the 23rd-largest accounting firm in the country, in April 2022.

While Grant Thornton is the largest accounting firm to strike a deal with a private equity group to date, other top 25 firms will follow, including some of the largest in the world, Allan Koltin, CEO of Koltin Consulting Group, who advised New Mountain Capital and Citrin Cooperman on their combination, said in an emailed statement to *CPA Practice Advisor*.

"The Grant Thornton deal with New Mountain Capital is another exclamation point on why the accounting profession and private equity are combining forces," he said. "New Mountain Capital hit a grand slam home run on its investment in Citrin Cooperman, so no surprise here that they entered into a second deal in the accounting industry."

The cash from New Mountain, together with some debt financing, will be used to return capital to current Grant Thornton partners, buy out retirement obligations to former partners, and build a war chest for investment, the *Financial Times* reported. In addition to spending on technology and new service offerings to clients, Grant Thornton could also increase acquisitions, an area where it has historically been less active than many rivals, according to FT.



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statement, the investment immediately enhances our value in the marketplace and enables us to accelerate our current strategy. We'll enjoy greater scale, resources, and agility, while better positioning the firm to make targeted investments in talent, technology, infrastructure, and enhanced capabilities. Grant Thornton will further solidify our position as the industry's platform of choice."

Siegel cited Grant Thornton's upcoming 100-year anniversary as a companion milestone to its partnership with New Mountain Capital.

"We take great pride in our many accomplishments over the past century, and partnering with New Mountain Capital will ensure that we fully capitalize on the compelling opportunities that will define our next century," he said. "They share our standards and our vision, and together we will reshape the industry landscape, while enhancing Grant Thornton's value proposition for our full range of stakeholders."

In an email to employees about the deal this morning before it was made public, which was posted today on [r/accounting](#), Grant Thornton said the firm's leadership team "will continue to manage operations as well as compensation and promotion decisions—always guided by our people-focused culture and client-centric approach."

In a statement, Andre Moura, managing director at New Mountain Capital, said, "We have been deeply impressed by the Grant Thornton team, and in our research, Grant Thornton ranked at the highest levels in the U.S. as measured by the quality of its work product and the satisfaction of its clients, even at a much lower price to clients. Grant Thornton's unique culture drives the exceptional service the firm provides its clients, and we look forward to working with Grant Thornton to invest further in technology and automation, talent, and new service line capabilities to achieve rapid growth—while maintaining an unwavering focus on quality and client experience."

“We are thrilled to support Grant Thornton as it advances its superior, technology-

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